

Volume 11  
Number 4  
August 1998  
\$4.00

# Grassroots Fundraising

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for Service**

**Keeping Track  
of Information**

**Child-Powered  
Fundraising**

**Why Fundraisers  
Are Never Paid  
on Commission**

**Profile of a  
Major Donor**

# Journal

## Writer's Guidelines

*The Grassroots Fundraising Journal is happy to consider articles for publication. Please submit copy typed, double-spaced (no dot matrix print-outs, please). Please do not submit material in all capital letters.*

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*If you want unpublished articles returned, please provide a self-addressed envelope with adequate postage.*

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### Deadlines:

February issue: December 15  
 April issue: February 15  
 June issue: April 15  
 August issue: June 15  
 October issue: August 15  
 December issue: October 15

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*The Grassroots Fundraising Journal* is published six times a year: February, April, June, August, October, and December.  
 ISSN No. 0740-4832.

**Founding Publishers**  
 Kim Klein and Lisa Honig

**Publisher and Editor**  
 Kim Klein

**Managing Editor**  
 Nancy Adess

**Design**  
 Robert Cooney

**Typesetting**  
 Archetype West

Printed on recycled paper with soy ink.

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*"We are asking  
all our clients to give  
what they can."*

## How To Establish Voluntary Fees for Service

*by Kim Klein*

In a small industrial city in Michigan, the director of a program serving seniors described his experience in starting a fee-for-service income stream. His organization provides a wide range of services to people 65 and older, including Meals on Wheels; transportation to medical appointments; helping people do their taxes or deal with Social Security, Medicare, and private insurance; leisure activities in a community center as well as field trips; and support groups for seniors and for adults taking care of aging parents. All of these services are free. The agency's \$300,000 budget was mostly provided by United Way and the city, with a few other government sources. The program is run cheaply because 75 active volunteers do much of the work.

Last year, the city cut this program's funding entirely. The city is in a state of decline, unemployment is high, and senior services are not a priority. The United Way also cut their contributions—by 50%, with further cuts expected. Reluctantly, this director created a free-will

donation system to encourage users of the service to contribute toward its cost. He posted a big sign in the community center that reads:

*The cost of providing services is as follows:*

One delivery of a meal (Meals on Wheels)	\$5.00
One trip to and from a medical appointment	3.00
Support Group counsellor (per person)	7.00
Private counselling (per hour)	20.00
Lunch at the community center	2.00
Field trips per person per day	10.00
Magazine Subscriptions (average)	25.00
Books for the library (average)	17.00

Any amount you can pay toward these services is gratefully accepted, and will be put right to work.

Thank you.

This same announcement appears in the program's newsletter and on a sign in their van. This approach is

low key and not threatening. No one actually asks for money. To donate, one has to be able to read the sign, then put money in a box or hand it to the person in charge.

In the last year, this director reports, there has been a 300% increase in the number of people using the various

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*People liked being able to  
pay for the service.*

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services the center provides. Puzzled, he investigated. Are there 300% more seniors in town? No. Are 300% more seniors falling into need for these services? No. Finally, he surveyed center users about what brought them to the center, how they found out about it, and what they liked about it. Among other things, he learned that people liked being able to pay for the service. Several people made comments to that effect: "I never used this place before because I don't like taking things for free. I am not so poor to need free service. I can pay my own way." "I can take care of myself pretty good and I don't need handouts. I've worked hard all my life. I like coming to the center and seeing people, and the prices are affordable. Sometimes I put in a little extra for someone who isn't as well off."

This experience is repeated over and over again as organizations are forced to start suggesting donations to their clients. Most people prefer to pay something than to get a service for free, and to some extent, giving services away to people in need robs them of their dignity.

Hard times or not, fees for service, whether voluntary or mandatory, will bring in more clients and will strengthen your program. These days, fees can also provide the income stream that keeps an organization afloat.

Many non-profit organizations have *mandatory* fees. They charge well below the "market rate" for their service, but in order to get the service, you have to pay a fixed price or a fee made by some determination such as income or reimbursement from insurance.

This article presents how to determine fees and how to collect them for organizations that have traditionally provided free services to clients and now wish to charge *voluntary* fees.

### ***What is a Voluntary Fee?***

You can charge voluntary fees in one of two ways: You can still provide service for free but request money to help cover the cost; or you can ask that people pay something for the service, but whatever they pay is acceptable.

Which system you use depends on the nature of your clients. Organizations serving the homeless will prob-

ably not require a contribution. Cultural organizations, organizations serving the working poor, mental health providers, and so on may opt to require some payment.

Or you can mix the two methods. For example, one homeless shelter provides shelter, showers, and clothing for free and does not attempt to charge. But they have a suggested voluntary donation of \$.50 for meals, and a mandatory processing fee of \$10 for job placement (collected after the person has received their first paycheck). This agency now receives donations for almost 70% of their meals served, with many people giving \$1.00 and a collection rate of 80% on their job fee. Another shelter provides free meals, but charges \$.50 for seconds, and \$.10 for coffee or tea. Water and juice are free.

### ***Staying Legal***

Charging fees is not illegal, but if you are asking for donations rather than fees, they must be perceived as voluntary by the client for you to stay within your non-profit status. No coercive measures can be used to collect voluntary fees. A coercive action would be one that makes a person feel the service was not really free or that he or she was the only one asking for free service, or some other method of seeming to manipulate a person into paying or paying more than they want to. What is coercive is a matter of perception, but some actions are more obviously coercive and need to be avoided.

For example, one free meal program separated those who had given from those who had not. Those who gave were placed at tables with tablecloths and given dessert. In another instance, admission to a class on how to prepare for job interviews was free, but the person registering loudly announced each donation so that someone sitting across from her could record it. Although thoughtless and probably unintentional, this practice caused some who had intended to take the course for free or even for a low price to pay more than they had wanted to; others simply left before reaching the registration table.

People tend to be embarrassed by any practice that makes them feel as though they don't have enough money. Any system that can embarrass someone may cause them to feel pressured to pay more than they want to or can afford, and the voluntary fee is no longer truly voluntary. (Ironically, this same embarrassment can arise from an agency insisting on providing service for free, which can also keep people from seeking services they need.)

The second legal obligation is that your fee, whether voluntary or mandatory, be well below what a for-profit would charge for the service.

### ***Setting the Fees***

There are several ways to set your fees. The least ef-

fective (judged by amount of money raised) but least intrusive is to post a sign near a collection box that simply reads, "Donations," or "Donations welcome," or "Your gift ensures that we can continue to provide this service to others. Thank you." You will tend to get only people's spare change; however, you will never be accused of forcing someone to give, and this can be a good way to introduce the idea of giving to your clients.

If all your services cost about the same amount, you may want to suggest a range for the voluntary contribution. You would post a sign that said, "The cost of providing our services ranges from \$10-\$25. Any amount you can pay will ensure that we can continue to provide these services. Thank you." If you want, you can add an explanation, "The budget for the services you are receiving was previously provided by the government/United Way/foundations, but these funds have been cut back. To make sure that we can continue to help people, we are asking all our clients to give what they can. Thank you."

The most effective system is one similar to that used by the senior center discussed in the beginning of this article. A wide range of costs was established, and people could donate toward only the service they had used. Just as when fundraising from individuals, asking for a specific amount will result in more people giving something than leaving the amount up to the prospect, so suggesting specific amounts for services rendered will bring more donations overall, and will show that you are serious about raising money and you know what you are doing.

Most service providers have someone who staffs a desk by the front door. This person should be trained to ask for money, particularly if any of your clients cannot read a posted sign. The front-desk person adds to whatever they would normally tell people, "The service is free, but we ask you to give a donation if you can. The donation box is over there." Many clients will ask if there is a charge, which makes it easier to explain. For clients accustomed to getting the service for free, explain that you are still providing it for free, but that you are asking people who can help to do so. If you hand out literature to your clients, include a card explaining your need and a return envelope. They can drop the envelope in the box or send it later.

### ***It Would Be a Better World***

At first, volunteers and staff will probably be uncomfortable with the process of asking clients for money, regardless of what process you use. First, validate everybody's feelings: Yes, it is difficult to ask for money, and it may be more difficult to ask people for money who have very little. And, it would be a much better world if people did not have to pay for things to which they are entitled: housing, health care, education, food, etc., and

did not have to feel embarrassed about that. However, the current federal administration has a different understanding of entitlements resulting in significant cut-backs, and cities and states no longer have enough money for these programs. While all of that is being

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*A coercive action would  
make the person feel the  
service was not really free.*

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solved, your organization has to keep on providing services. Your clients would much rather you exist than watch you go out of business. They will help if they can and will feel good about helping. Once you have a few experiences of asking for money and seeing people feel good about giving, this initial discomfort will go away.

### ***When Service is Over the Phone***

So far, we have concentrated on organizations that can collect fees at the door or at the time of service. But what if your way of providing service is over the phone or by information that is mailed? Your organization has a harder task. Certainly, you cannot ask someone calling a crisis hotline for a donation once they have calmed down. Voluntary contribution for service will not be possible in those cases. However, if you are providing non-crisis information, after you are finished, ask if you can send more information about your organization and how it is supported. If they give you their name and address, immediately send them a fundraising letter.

If your service includes mailing information to people, include a card and return envelope. The card should tell how your group is supported and ask the person to return the envelope with a donation as soon as possible. A card is more effective than a letter because the letter may get put aside while the person is looking at the other information you sent. However, he or she will be inclined to put the card with the envelope, and respond once they have determined that your information is useful. You may also wish to use a "wallet flap" envelope where the outside flap serves as the "card."

Setting up a voluntary system for collecting money from clients will create a steady income stream for you, and it may be larger than you think. The senior center in Michigan now collects \$5,000 a month in contributed fees. Further, the system may inspire people who are not clients to give. Many times volunteers are just as uninformed about how your organization is supported as are clients. Once educated, volunteers often give regularly. Finally, you may get more clients, which serves your broader mission, and may bring in more fees. ■

# Keeping Track of Information

## *Part 1: What to Keep, What to Throw Out*

by Kim Klein

About six months ago, I recommended my friend Mark very strongly for a development job. Mark had little development experience, but had taken several fundraising courses and had some background as a salesperson. He is bright and personable and very committed to the issues of the group that was seeking a fundraiser. They had other candidates with more experience in development but none with his knowledge of their issue, and because of that and on the strength of my recommendation, they hired him.

At first, things went very well. He immediately visited all the Board members and got them involved in a major donor campaign. He sent out an excellent direct mail appeal to about 1,000 prospects and got over a 4% return (twice the expected rate). His first foundation proposal was successful. He works well with everyone, and he likes the work a great deal.

After three months, I began to notice that Mark was spending some evenings and weekends at work. He seemed stressed. Another friend, who serves on his Board, said that he was falling behind in meeting deadlines and perhaps had taken on too much. Then, the chair of the Board called him in for his six-month review. She praised the things he had done well, but asked him to set some priorities. She was concerned also that he had taken on too much. He reported this to me. I asked him what his workload was like and he described work that seemed do-able in a 40-hour week. I asked if he thought he was overcommitted and he said, "I don't think that is the problem. The problem is that I can't keep track of everything. I keep losing things. I have tons of files, but I can't remember where they are, and I sometimes don't even remember what the file names on my computer mean." The next weekend, I visited Mark at his office. It was a shambles—there were piles of papers everywhere and no apparent coherence to any of it. Not only could Mark not keep track of everything—he couldn't keep track of anything!

Inability to handle paper, as part of staying on top of our workloads, is an increasing problem, one that often passes as overcommitment. Since overcommitment is also a major problem, one compounds the other. A friend confided to me recently that she was secretly relieved when her office flooded and many of her papers were de-

stroyed. She now had an excuse for not getting work done she wouldn't have gotten to anyway.

This era is being called the "information age." It is also supposed to be the era of the "paperless office." Clearly both things can't be true. I wonder, actually, if either assertion is true. Certainly, we can say it is an age

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*There is always more than  
you would ever need to know  
about every subject.*

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of words—papers, ads, and the promise that there is always more than you would ever need to know about every subject.

### *What the Job Is—and Isn't*

After taking one look at Mark's office, I offered to help him. I told him we would go through every paper in his office, and I would recommend whether or not to throw it away on the condition that he throw away at least half of what I recommended. Together we would create a system that would enable him to keep on top of information.

Before we began our purge of the useless and time-consuming, I helped Mark think about what information he really needed to be on top of, and what didn't matter. He set the following priorities of information to keep:

- 1) Information pertaining to current donors
- 2) Information pertaining to prospects
- 3) Information about the group that will be published for donors and prospects

Mark wanted to add several other priorities, but I persuaded him not to. He is only the development staff for this organization. It also has an executive director, and a program staff person. Each person does his or her own clerical work. Mark has to be clear about what his job is and isn't.

We set up three filing cabinet drawers and three main directories on his computer to reflect his priorities: current donors, prospects, and information that will attract

donors. We threw papers pertaining to anything else into the recycling box. Among other items that got tossed were all newsletters from other groups unrelated to this group, all advertisements for seminars and classes, all catalogues, all annual reports of foundations this group will not be applying to and all old annual reports of prospective foundations, all old to-do lists and all reports on all causes unrelated to this group. We created a file drawer for reference material where we put one copy of the group's past newsletters, one copy of proposals funded, evaluations of direct mail appeals and reports on special events, Board minutes and reports, and financial statements.

Every piece of paper was held up to this test: Could this help you get money from someone? If yes, who and how. Then put it in the prospect's file, or in the reference drawer if it might be needed for reference (such as Board finance reports). If no, throw it out or give it to another staff person.

When we were done, Mark's office was virtually empty. He seemed shaken, but I knew he would feel better soon. I left him with firm instructions to spend five minutes at the end of each day throwing things away and filing things he was keeping. His desk is to remain empty except for what he will work on tomorrow. Three months have passed and, by all accounts, Mark is doing much better.

### ***Simple Rules***

Once you learn a few simple rules about what to keep and what to save, keeping track of information will actually not be that difficult.

First, set priorities. What is your job? What do you have to know? What would people reasonably expect you to be able to lay your hands on quickly? Even if you are the only paid staff person, you still have a limit to your job.

- You must have records of official meetings of the organization, and reports offered to the Board, the public or the IRS about the organization. Keep one (at most two) copies of minutes, audits, 990's, newsletters, direct mail appeals, annual reports, etc.
- You must have records on the donors: their names, addresses and gift history, as well as information that would help you or someone else ask them for more money or for some other type of involvement.

There are other items you probably should have if you are a one-person shop—you decide. But do you really need copies of newsletters from organizations you are not interested in? Dozens of samples of invitations? (Pick the best 10 and throw the rest away.) The latest reports from the most prolific think tanks on every subject from the ozone to police brutality, campaign reform to the role of women in rural Hindu communities? No.

What is your group? Read only what pertains to you.

Having set priorities on what kind of information you need—and limit yourself to five priorities at the most—sort all your papers into those categories and throw away anything that doesn't fall into them. Especially throw away the volumes of information you now keep that you feel you "should" read. The stuff that you bring home but never quite get to, and take on business trips but always manage to find something else to read. If you feel like you "should" read it, you won't. Get off your own case and lighten up. It's all right not to read everything, or even not to read most things.

### ***A to Z***

Next, think through your filing system. Many people simply put their files into alphabetical order and call it a day. I was in an office recently where the personnel policies were filed right behind a donor named "Alice Pershing." I asked the staff person how she decided to file under "Personnel" instead of "Policies." She didn't think that was funny.

Create broad categories, then file inside those categories. Categories might include: Board, donors, prospects, foundations, finances, programs, personnel, publications. Inside some of those categories, you may want sub-categories. For example, the Board section might have the following sub-categories: Board members—current, past, potential; Board reimbursements; Board minutes; staff reports to the Board, etc. Some of these categories will then contain alphabetical files, but some will be easier to find if you file them chronologically. For example, Board minutes and reports to the Board should be filed chronologically.

To test your filing system, ask a friend or another staff person to come into your office and start naming things for you to find. You should be able to lay your hands on any piece of paper you are in charge of in 30 seconds. If you can't do that, reassess your system. Once your system passes this test, see how well it works for someone else. Suppose you were hit by a train—how accessible is your office? If it takes someone else more than five minutes to figure out where something is, your system is too mysterious.

The final rule of thumb about what to throw out is that if you haven't looked at it in six months, and it is not needed for the IRS or as an archive copy, throw it out.

### ***What You Keep***

I have focussed a great deal on getting rid of things. That is because my personal experience and my observations of other peoples' offices is that we keep too much and then can't find anything or can't set priorities with all these papers.

*Be clear about what  
your job is.*

The next trick is to deal with the stuff you keep. Make it a rule not to handle a piece of paper more than once, and try not to break this rule more than a few times a day. Make a small mark on every piece of paper you are handling and note how many marks it has before it is finally laid to rest. More than three is a bad sign.

### **The Intangible Files**

Finally, there is the subject of files in your computer. This is more beguiling because you don't often notice how much room these are taking up—the "clutter" is invisible, so it is easy to let hard disks get overloaded and chaotic. I have watched people scroll their directories and sub-directories with the same intensity and frustration with which they previously tried to sort through their papers.

The same standards apply to computer files as to paper files: Will you need it again? What category and sub-category should it be listed under?

When you save something, think about what you name it. I know people who name their files after their

lover of the moment, or the day of the week, or even some obscure abbreviation of something in the file. Again, apply the standard, "If I were hit by a train, could someone else find this?" "Would I want them to?" Give it a name that makes some sense.

To help you stay on top of your papers and computer files once you get organized, post a 3 x 5 card with the one, two or three things that will most help you keep clear on what to keep and where to put it if you keep it. Mark, for example, has this on his card:

"Is it a donor?

Is it a prospect?

Could it lead to a donor or a prospect?"

Another friend has this:

"When in doubt, throw it out.

After all, what is the worst thing that can happen?"

Another's says:

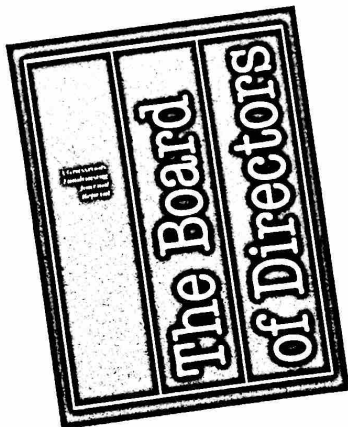
"If this were my last day at work, and I was sorting through my stuff, would I give it to the person succeeding me?"

In our business information is like food: we eat it, we serve it to others, we save it for a few days, but we don't keep it permanently. It is useful for what it does for us, but is not really useful beyond being converted to energy and/or enjoyment. Seeing information in that light will let *you* be in control of *it*, so that you can use it to do your work. ■

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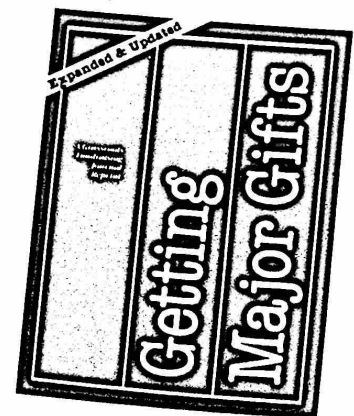
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*Running, jogging, walking  
and skipping are all  
acceptable.*

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# Child-Powered Fundraising

*by Mary Portis and Richard Portis*

Say "fundraising" to adults needing money for a children's program and you'll likely get weary stares coupled with deep sighs. You can't blame them. After all, most children's fundraising activities are more effort (adult effort) than profit. With every community, school and church group continually holding fundraisers, the competition for money is keen and the fatigue of donors is increasing. Children, too, tire of selling candy, cookies, raffle tickets, wrapping paper, magazines, and everything else that can be peddled. Parents tire of waiting at shopping centers, selling at the office, and worrying as their children traverse neighborhoods far from home. Family members and friends tire of buying things they don't want or need.

Seven years ago, while sweating over vats of steaming spaghetti during our fourth fundraiser of the year to earn money for playground equipment, we vowed to find a one-shot, easy fundraiser for our year's needs. Our fundraising answer turned out to be a jog-a-thon. In an elementary school of 503 kindergarten-to-fifth-grade students, our first jog-a-thon cleared an impressive profit of \$17,000. In the six years since then we have started jog-a-thon traditions for numerous elementary schools and community groups. With each attempt the profit margin has increased.

## **"On Your Mark . . ."**

The success of a jog-a-thon depends on the enthusiasm of the children. Introduce the idea to the entire group two weeks prior to the event. Tell the children how they will benefit from the money raised. Further motivate participation with a parade of prizes that can be won for the most laps run and the most money raised, on an individual and class/team/troop basis. Popular prizes

include skateboards, "walkmans," and baseball gloves. The returns are great enough that two hundred dollars can be spent on prizes without substantial profit loss. Local businesses may be willing to donate prizes. We have found a bicycle shop willing to donate a mountain bike as the grand prize for most of our events.

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*Children tire of selling  
candy, cookies, raffle tickets,  
wrapping paper, magazines  
and everything else that  
can be peddled.*

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After describing the event, distribute pledge sheets and parent permission slips. Encourage the children to solicit family members and friends, not unknown neighbors. Many sponsors pledging small amounts can add up quickly.

Design a lap check-off card on 8-by-10-inch heavy-stock paper that provides a line for the child's name and classroom/troop/team number, and lists the numbers one through 100 with each number in a separate square. Often a local copy store will photocopy the cards as a donation. These cards should be safety-pinned to the back of the children's shirts prior to their arriving at the track.

In a jog-a-thon children make money by running laps, but a lap does not have to mean a high school track lap. In fact, for children ages five through twelve, it is better to create your own track—use cones and ropes to

mark off an area no longer than *one-eighth* of a mile.

If the jog-a-thon is a school event, hold it during school time. We use the last two hours of the day on a Friday. Community groups such as scouts should schedule their jog-a-thons during the regular meeting times of the group to reduce conflicts with other activities. The event itself takes sixty minutes. An additional thirty minutes are needed at the beginning and end for organization.

### ***“Get Set . . .”***

For management purposes, it is best to keep the children in identifiable groups. If the fundraiser is for a school, identify the children by classrooms; if it's for scouts, by troops; if for athletes, by teams. Each group should have an adult supervisor.

Assign each group a starting position around the track. Separate the older children from the younger children. Label the starting positions with large, easily visible signs. Have each adult supervisor point out the sign labeling their starting position to the children. This site will also be used for lap check-off. Ask the adults to stay with their groups until the running begins.

At each starting position, toward the inside of the track, construct check-off stations made of cones. These stations can be tended by adult volunteers or health-impaired children who are unable to participate. Instruct the runners to stop at the check-off station at their starting point each time they complete a lap. Those working the check-off stations mark the laps completed by crossing off the numbers on the cards pinned to the runners' shirts with a thick black marking pen. After the first couple of laps, children come through these stations in a steady stream rather than a mass group.

Once everyone is positioned, gain attention of the children using a microphone set up on an elevated stage at an end of your track. Position a large clock such as those used for athletics in a visible place. As you set the clock for sixty minutes, explain to the children that the clock will show how much running time is left. Start the event with a mass countdown from ten.

### ***“Go!”***

Regardless of talk about pacing, children will head out of the start at full tilt. This initial energy ends quickly and as it does the children should be encouraged to keep going. Running, jogging, walking, and skipping are all acceptable. Five and six year olds can easily complete an average of twenty laps. Ten and eleven year olds can complete well over fifty laps. Music played over a loud speaker helps keep the movement going. So does a charismatic adult voice commenting on the form, progress, and speed of individuals and groups. Most motivating of all is parent, leader, coach or teacher participation. Chil-

dren love to run with and outrace the adults in their lives. Younger children like to walk in groups holding hands with an adult or each other. It doesn't matter if the adults can run the whole time or even part of it as long as they are out there moving and commenting on the movement of the children.

For safety, two water stations should be set up on the inside of the track. Bottled water companies are very willing to donate cups and water for these events. Sliced oranges are a good treat at the end of the event. Arrange to have a physician, nurse or emergency medical technician present during the jog-a-thon. It is often possible to get a parent who is a medical practitioner to volunteer. This is especially important if your area experiences extremely hot weather.

### ***The Winners!***

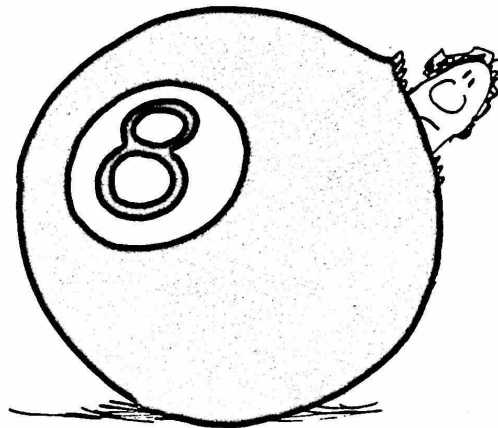
After the event allow children to regroup at their starting positions. Collect the check-off cards and tabulate the laps run. Adult volunteers should record the total laps run for each child and a group total. Before dismissing the crowd, announce the highest individual lap totals for each age group and the highest group total. Encourage children to begin collecting their money.

Require that all money be collected in the week after the jog-a-thon. At the end of that week, schedule an awards assembly to recognize those groups who did the most total number of laps and those who had full participation. Give prizes to the girl and boy at each age level who completed the most number of laps. Hold a drawing of all the participants' names for a spontaneous winner of the grand prize.

As with everything, the first jog-a-thon requires time and effort. But even the first time, the profit will be gratifying. Once the jog-a-thon becomes an annual event, children begin “training” prior to the event and gather sponsor commitment early. They remember who won the prizes for the most laps run and the most money collected, and want those prizes for themselves. With each year more parents appear at the track to run with their children.

Jog-a-thons turn a business enterprise into a positive, health-enhancing activity that brings a school population or community organization closer together in an effort to reach a common goal. In addition to needed money, jog-a-thons provide participants with a sense of success, pride and achievement. Since most children's programs attempt to create these feelings in their young participants, jog-a-thons contribute to the purpose of children's programs as well as provide a lucrative means of sustaining their services. ■

*Mary Portis and Richard Portis are educators at California State University, Chico and Durham Elementary School, respectively, in northern California.*



# Why Good Fundraisers Are Never Paid on Commission

by Kim Klein

**A**n organization that works with abused children desperately needs a new facility. However, they can barely meet their current annual operating costs, so taking on higher rent or purchasing a new facility seems impossible. Nevertheless, because their program is seriously suffering from lack of adequate space, they shop around. Whether they rent or buy, they will have to remodel any building for safety and accessibility and to make it pleasant for the children.

The group finds a building that the owner is eager to sell, and he offers them a good deal. With a little work, this could be the ideal space. The obstacle is the cost: they will need \$150,000 to cover everything. It seems insurmountable, and then as if in answer to a prayer, a handsome stranger shows up and offers to raise the \$150,000 for a 20% commission. If he doesn't succeed, he explains, they are not out anything; however, they pay him 20% of any money he raises. He proposes to raise \$200,000, which will cover both his costs and the costs of doing the campaign. He says he can do it in six months, and he will earn \$40,000.

Why is this an absolute no-no? There are several reasons. First, no one else in the organization is paid on

commission. In this particular group, the teachers are not paid more for every child that shows improvement or successful adjustment. They are paid a salary in recognition that their work is a process and that they may be

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*Commission fundraising  
is unethical.*

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very good teachers and still not show a lot of progress with every child.

Second, a commission tends to distort salaries. In this case, this fundraiser would be paid the equivalent of \$80,000 a year, more than twice as much as the director, who makes \$35,000.

Third, this person will not bring his own list of contacts. He will be working with the organization's donors. He says he has some contacts from previous jobs, but do you want him to use them? And do you want him taking your donor information to his next job? Further, his whole livelihood depends on donors saying yes to his requests. Even a totally honest fundraiser working under

these conditions would be tempted to distort information, seeing his rent check in the eyes of each prospect. Also, many big gifts take cultivation and several visits. He may be willing to settle for a small gift in order to get it quickly rather than take the time it would require for proper cultivation.

Fourth, what will the donors think if and when they find out that 20% of their gift, designated for a new building, went to this temporary staff person? Few things make donors angrier than seeing that a significant part of their designated gift was used for expenses.

Fifth, and most important, one person should not be in charge of actually raising money for an entire campaign. Suppose he is both honest and successful. When he leaves, the group is \$150,000 richer, to be sure, but no wiser with regard to fundraising. The role of a fundraiser is to get the Board and other volunteers to help raise the money. A good development person coordinates, researches, plans, and helps decide which Board member should go with which other Board member or staff person to ask for the money; when each prospect should be solicited (should Sally Jones be asked right away, or not until her close friend Mabel Smith has given?), and other strategy questions.

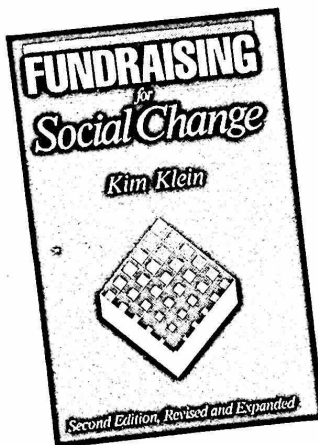
The person coordinating the fundraising should absolutely believe in the cause and be a part of the team of people putting the campaign together.

For all these reasons, paying on commission is highly frowned on in fundraising, and all the trade associations for fundraisers, including the National Society of Fund Raising Executives, the National Association of Hospital Developers, and the Council for the Advancement and Support of Education, have issued statements decrying the practice of commission-based fundraising.

Some people in small organizations will say, "That's fine for them to say, but we don't have the cash to hire someone and it is risky to hire a person when you can't afford it, both for the person and for us if they are not good." But for all the reasons listed above, a small organization especially cannot afford the risk involved in hiring someone on commission. The children's group needs to go to the eager property owner and see if he will accept a lower down payment, then they need to explore how to finance the building instead of trying to pay for it all at once. A committee composed of a couple of members of the Board, a couple of volunteers and the director need to make a list of ten people who could give the money required for the down payment and for the costs of moving and fixing the space. Then they need to go and ask these prospects.

No matter how strapped for cash you are, you should never consider doing something unethical to raise the money you need, and commission fundraising is unethical. ■

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# Profile of a Major Donor

by Kim Klein

This woman is part of a very famous and wealthy family. Many years ago, to escape the constant association of her name with wealth, she dropped her last name and invented a new one. Because she also remains anonymous in her giving, we have taken particular effort to disguise any details that might identify this donor without distorting her story.

"It has been more than 20 years since I changed my name," she says, "and it is almost like remembering someone else to remember what I was like when I was still using my family's name." Her grandfather invented an extremely successful product and named it after himself, so her surname was synonymous with a well-known product. "When I was a teenager, I used to wish I could meet some Kleenexes and some Tampons and some Xeroxes. I wanted to see how other brand names could also belong to people. Of course, none of those were really someone's name. I don't know why people like to name things after themselves. It makes life harder for their children and grandchildren who then have no personality beyond the product."

This donor always knew she was wealthy. Growing up, she not only had her own bedroom and bathroom, but also her own study and her own stable. She was tutored at home until she was ready for fifth grade, then sent to an exclusive private school. "I never actually saw any money as a child," she reports. "In fact, I didn't realize that wealth had anything to do with money. I thought being wealthy meant you didn't *have* money because I never saw any. Money seemed to be for poor people who didn't have things, so they had to use their money to buy things, and they had to try to get the money because they weren't wealthy. It sounds silly now, but you make up your life as a child, particularly if you don't have

friends. Everything was taken care of for me. Anything I wanted was brought to me. I read about money in books, but I wasn't much of a reader and I didn't think much about it. My earliest memory of money is from the fifth grade. This was my first experience with other children—I was basically a loner until I went to school. Someone was collecting for UNICEF and they asked me to put money into the can.

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*"I read about money in books but I didn't think much about it."*

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I noticed that all the other kids put some coins in the can. I said, 'I don't have any money' and everyone started laughing at me. I was hurt because I had no idea why they were laughing."

This donor came into one trust fund when she was 18 and another when she was 21. She knew she would never need to work, so she dropped out of college to travel. Travelling to poorer parts of the United States and the Third World raised her consciousness and she decided to do some kind of good work. "I decided to become a social worker to work with poor people and help them. I had no class analysis, and basically felt that if poor people got an education and had a decent place to live, they could get good jobs and get rich. Or at least rich enough."

Her family supported her desire to do good, and for ten years she was occupied with finishing college, getting a master's degree and working. By then, she had come into two more trusts. "I had more money than I could ever spend, and I gave away about 50% of my income each year for three years. I had always been a loner, so I did not realize for a long time that people treated me differently because I was

giving so much money, or even because of my name. I guess I was really unconscious."

She gave her money to anyone who solicited her—mostly people in social service agencies. She never had a really bad experience with people asking her for money, unlike some people in her family who were asked for loans by friends and then not repaid, or who were asked to be on Boards because the group needed some "wealthy types." But over time she realized that her giving needed to be more thoughtful, and she needed to separate herself as a giver from herself as a worker. The fact that she was wealthy obscured all other facts for people she wanted to work with or be friends with. "No one could see who I was beyond my money or in spite of my money, or even because of my money. I don't know if I could separate. Being part of the top 100th of the world's population puts you into a very weird minority. Many people wish they could be you, yet they despise you, and most people

don't know anyone like you so you're sort of exotic. I decided that for my own well being, I needed to see who I was without my name or my money."

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*"I needed to see who I was without my name or my money."*

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At that point, this woman made a dramatic change. She took a common name, moved to another city under that name, and set up a small foundation to handle giving her money away. "Now, several people help me decide what to give to once a year, and the rest of the time I just work and forget about my money." She no longer uses any of her money to live on, so it is not hard for her to separate herself from it. "The money is almost like a relative that I rarely visit," she says. "Our visits are fun, but I know that much more contact would make me crazy."

I asked if having this dual identity was difficult. She said, "There is

a price for everything, and a trade-off in every decision. So, yes it is hard, but anything else seems harder." Her parents have been supportive, if puzzled, by her decision.

This donor was unwilling to give any more information about groups she funds ("They all read the *Grassroots Fundraising Journal*") or about how much money she has ("Let's just say it's in the low millions and that I keep getting more"). She exemplifies a small but significant number of people who have inherited wealth and find it difficult to be both wealthy and active in grassroots non-profits. They are not oppressed in any normal sense of the word, yet it is difficult for them to be accepted and cherished for other than their wealth. Some of this difficulty is an internal quest, in which the individual must discover who he or she is beyond their money, but much of it is imposed on them by a society that doesn't know how to deal with any form of money, whether it is wealth or poverty. ■

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