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Board Members**

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Telephone
Fundraising
Vendor**

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Book Review

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Recruiting Better Board Members

by Kim Klein

Recruiting new board members can be a relatively easy task. The existing board figures out how many members it needs and everyone brainstorms the names of friends, people who owe them favors, lonely people, people who just broke up with lovers and will need something to fill the void, and other likely types. Two people volunteer to call this list of people and beg them to be on the board. When enough people have said yes, the search is called off and board recruitment is ended. The good thing about this method is that it is fast. The problem with this method is that it results in a board of well-meaning but not terribly effective people. This article is for those who prefer a method that is not so fast but is far more effective.

As has been repeatedly stated in the *Journal*, there are two kinds of staff in small organizations—the unpaid staff who are the board and volunteers, and the low-paid staff. The first step in recruiting board members is to apply the same diligence and care in recruiting board members as you do to recruiting paid staff. To give you a sense of the contribution board members can make, just think about the fact that an organization that has 10 board members who each devote 8 hours a month to the group (a common workload) has 80 hours each month of contributed time—the equivalent of a half-time staff person. Most small nonprofits would love to have another half-time staff person, but they don't realize that the board members are providing that time. Of course, board members do different work than a staff person would do, but board member time can be used much more effectively than it usually is.

Steps to Finding Better Board Members

Following the analogy of seeing board member recruitment as similar to staff member recruitment, the first step is to define the job. Board members are required to have, col-

Board member time can be used much more effectively than it usually is.

lectively, the knowledge and skills needed to supervise the running of the organization and to carry out a high level of fundraising and fiscal monitoring. In addition, the board hires and sometimes fires the executive director and makes sure that working conditions (including salaries and benefits as well as the physical conditions) are adequate and promote morale. Board members are chosen because they are highly committed to the cause and presumably have some experience with the issues the organization addresses. Obviously no one board member will have all the skills required of the whole board, but each one must have some of the skills that are needed.

Next, if you haven't previously done so, identify the basic commitment you need from all board members. This is a step that the whole board should participate in and subscribe to in the form of a "Statement of Agreement." A Statement of Agreement is a document that spells out very specifically what it means to be on your board. By-laws may have some components of the statement, but the statement is much bigger than that. (See sidebar.)

Third, identify the skills or areas of concern that are lacking on your board. To do so, the board must evaluate itself in terms of what it should be like at its full complement. If the board had everyone on it that it needed, what would it look like? The following questions will help you describe your ideal board.

- What demographics should be present (i. e. sex, race, age, disability, class, ethnicity, etc.)?

Being nominated for the board is not the same as being chosen for the board.

■ What skills are required to answer the questions that come up most often and what kinds of people have those skills? These might include:

- *Financial questions:* What is our cash flow like? Can we make it to the end of the year? Is this a good budget? Types of people who can answer: accountants, financial managers, comptrollers, business owners, bookkeepers, people who have big families and small salaries and are not in debt
- *Personnel questions:* Are the personnel policies well written? Are they legal? Do they have everything we need? Types of people who can answer: some lawyers, personnel directors, directors of other nonprofits, career counselors, union organizers
- *Program questions:* Does the program direction we are taking make sense? Is the director creating and implementing appropriate objectives for the goals the board has set? People who can answer those questions: community activists, people from similar organizations, people who have been involved with the issues for a long time

■ How much time will it take to be on your board, and what kind of time—evenings, weekends, several two-hour meetings or a few day-long sessions?

■ In what parts of your community do you need to have someone act as a spokesperson for you? Do you want someone with connections to people in politics, to activist organizations working on related issues, to neighborhood groups, to the religious community, to corporations or small businesses?

■ Every board member must do some fundraising, but what kind are you looking for: the ability to identify major donor prospects, ask for money in person, seek corporate or in-kind gifts, speak to service clubs, or is willingness to do any type of fundraising enough of an improvement over your current board that you won't be fussy?

Once you have identified just who you are looking for, you are ready to begin looking. Ask yourself, who would know the people you want? Where would they work? Where else would they volunteer? What might they read? What events might they attend?

The Nominating Committee

Now is the time to form a nominating committee. The nominating committee takes direction from the whole board in finding candidates. It can be a standing committee, but it can also function well as a short-term, ad hoc committee. The nominating committee has two functions—to recruit board

members and to orient, train and supervise those ultimately joining the board. If you wish, you can divide these functions into the work of two committees: a nominating committee, which is really a recruitment and screening committee, and an orientation committee. This is advantageous because the process of finding and screening people can be so laborious that the nominating committee is too worn out to orient new members or help them fit into the group.

The nominating committee needs to be made up of as wide a variety of people as are on your board to provide the widest possible access to networks. People on the nominating committee need to be friendly and not easily discouraged. They need to be insightful and willing to make tough decisions. Some organizations separate the function of recruiting possible candidates from the function of interviewing those candidates and deciding which ones to recommend to the whole board. This is perfectly acceptable. It also allows for the fact that people with wide networks of friends and colleagues may not be the best people to interview the candidates they have surfaced.

The candidates need to be interviewed and need to be told ahead of time that being nominated for the board is not the same as being chosen for the board. You need to reserve the possibility of rejecting someone who is not going to work out. If you are very clear about what a board member's responsibility is, you should not have to reject very many people. Rather, people will eliminate themselves. They will realize that they cannot commit the amount of time you want, or that they really are not willing to do any kind of fundraising or that they don't agree with your politics. Resist completely the temptation to bring someone on who is unsatisfactory in some way. Hold out for a better person. It is better to have an empty slot on the board than a person who takes up time and space in ways that are not helpful. Firing a board member is much more difficult than screening them out ahead of time.

The interview is informal and friendly. The purpose is to determine if the candidate really wants to be on the board and if his or her presence on the board would be helpful. It is a two-way interview, in which the candidate also determines if your board is one she or he feels good about. Ahead of time, prepare a few questions for the candidate. The following questions are common and useful:

a. Have you had a chance to read the statement of agreement? Let's go through it point by point. (If the candidate seems familiar with it, make sure there are no questions and make clear that there are no exceptions.)

b. Have you served on boards before? What did you most like about being on a board? What were the biggest problems you faced as a board member?

c. What kinds of fundraising do you most want to be involved in? The candidate may not want to be involved in fundraising at all, so you can modify the question to "what kinds of fundraising are you willing to do?" (The candidate may have no experience in fundraising. This is fine, if he or she is willing to learn.)

d. Of what you know about our group, what part of our work excites you most? Why do you want to be on our board?

e. If appropriate or useful, name an area of controversy the group has had or a hard decision it has had to make and get some sense of how this person would have approached the situation. If you can anticipate areas of controversy, make sure you know the candidate's view on those issues.

In conducting these interviews, remember that it is less important for the candidate to have the "right answer" than it is for them to have the right attitude. You are looking for open-minded people who like working in groups and have patience and respect for group process. You are looking for people interested in learning more about your issue and in being useful. People who want to be important and who

have very set ideas, or who express irritation with process are going to be trouble on the board. People who emphasize several times how busy they are may not be willing to give the time you need. People who ask a lot of detailed questions about getting reimbursed or getting their way paid to conferences or getting their name on the letterhead may be more ambitious for themselves than for the group. Trust your instincts. If someone feels wrong, they probably are.

How Others Did It

Here are two true case studies that illustrate how the recruitment process can work.

An organization working with tenants in an inner-city

THE STATEMENT OF AGREEMENT

The Statement of Agreement serves as a job description and clarifies board responsibilities and authority. This kind of statement is best used by a board that is already committed and motivated. It helps channel their motivation and delineates agreements that may never have been verbalized. An agreement like this also improves relations between board and staff. Staff know what board limits are and will not make demands that exceed those. Agreements like these should be developed by boards themselves, not imposed by staff members or outside consultants. Different boards will have different agreements, although the ones suggested here are generic enough to be adapted to most board situations.

This agreement is not legally binding, and a statement should be included to that effect. The statement is morally binding. It is an expression of good faith, and it provides common ground from which board members can operate.

Sample Statement

As a Board member of _____, I understand that my duties and responsibilities include the following:

1. I am fiscally responsible, with the other board members, for this organization. It is my duty to know what our budget is, and to be active in planning that budget, and planning the fundraising to meet that budget.

2. I am legally responsible, along with the other board members, for this organization. I am responsible to know and approve all policies and programs, and to oversee the implementation of policies and programs. I know that if I fail in my tasks, and if the organization becomes the subject of a suit from a private person, or from the Federal or state government, I may be held personally liable for the debts incurred.

3. I am morally responsible for the health and well being of this organization. As a member of the board, I have pledged myself to help realize the mission which is: _____

4. I will give what is for me a significant donation. I may give this as a one-time donation each year, or I may pledge to give a certain amount several times during the year.

5. I will actively engage in fundraising for this organization, in whatever ways are best suited for me. These may include individual solicitation, doing special events, writing mail appeals and the like. There is no set amount of money that I must raise because I am making a good faith agreement to do my best, and bring in as much money as I can.

6. I will attend ___ board meetings every year, and be available for phone consultation. I understand that commitment to this board will involve a good deal of time, and will probably not involve less than ___ hours per month.

7. I understand that no quotas have been set, that no rigid standards of measurement and achievement have been formed. Every board member is making a statement of faith about every other board member. We are trusting each other to carry out the above agreements to the best of our ability, each in our own way, with knowledge, approval and support of all. I know that if I fail to act in good faith, I must resign, or someone from the board may ask me to resign.

In its turn, (name of group) is responsible to me in a number of ways:

1. I will be sent, without request, quarterly financial reports that allow me to meet the prudent person section of the law.

2. I can call on the paid staff to discuss program and policy, goals and objectives.

3. Board members and staff will respond in a straightforward and thorough fashion to any questions I have that I feel are necessary to carry out my fiscal, legal or moral responsibilities to this organization. ■

neighborhood needs three board members. The group helps set up tenant associations in apartment buildings that are usually owned by slumlords—individuals and institutions, including a university and the city itself. The tenants learn what conditions are illegal and what their courses of action are: petitioning the city, demonstrating, suing, rent strikes, mediation, etc. Many of the tenants are immigrants; some are undocumented. A significant percentage of the tenants are elderly and/or disabled.

The group has a 13-member board with three vacancies. Currently their board has five tenants, three former tenants, a doctor who works one day a week at a clinic in the neighborhood and a schoolteacher who read about the group and offered to volunteer. There are five men and five women; seven of the members are people of color, including all five of the tenants, two of the former tenants and the doctor. They decide that demographically they are doing OK. Sex, race and class will not be factors in recruiting the next three board members.

However, there is no one on the board over the age of 45, and there are no people with disabilities. In looking at skills, they need someone who can help with the budgeting and cash flow process. They also need fundraising help. The

board has done a lot of grassroots fundraising such as events, raffles, and door-to-door canvassing, but has never tried direct mail or done person-to-person solicitation. They also believe that they could raise more money from churches if they had a minister on their board. Finally they would like to recruit someone with graphic design experience who could help put out a newsletter, and they need a writer who could help with mail appeals and grant applications.

To find all these things in three people is not easy, but this group managed to get most of what they needed. Four board members formed a nominating committee. They included one tenant, one former tenant, the doctor and the school teacher. The tenant was in charge of visiting churches and synagogues to recruit ministers to be board candidates. She was able to find a minister who had just been hired by a small Methodist church and was interested in getting involved in the community. This person also happened to have experience using graphic design computer programs and her church owned a computer she was happy to let the group use. She immediately offered to help publish the newsletter.

The former tenant works in a fast food restaurant as a janitor. He has become friendly with the manager of the restau-

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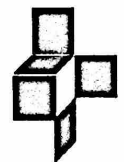
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rant and asked him to be on the board. The manager did not have time, but he announced the board opening at a class in financial management that he was taking and a manager of another restaurant who grew up in the neighborhood the group serves volunteered to be nominated.

The schoolteacher asked the president of the PTA for names of people who would be good fundraisers. The president gave her four names of parents. The schoolteacher and the doctor contacted these four people. None of them felt they had the time, but each gave another suggestion. Two of those people suggested agreed to be nominated.

These nominations were brought to the board and they decided to bring on all four people since they were all well qualified.

At first glance, it looks like this group had a very easy time of it, but what is evident is that they used resources they had and were willing to reach out and ask others for help. No one who came on the board was a friend of anyone currently serving, and all were brought on for specific skills that they possess and that they were told were needed. The nominating committee also used their own networks to reach out to people they didn't know, and they thought very specifically about what kinds of people they needed. Their desire to find board members who are seniors and/or people with disabilities was not met, and will have to be kept in mind for the next round of recruitment.

The second group is a women's foundation serving five counties in a densely populated area. The foundation raises money and gives it to small organizations serving women and girls. They give away about \$300,000 every year to about 40 organizations. They have a 21-member board with five people rotating off. Their normal selection process is to ask each board member to replace herself, but in the past this has resulted in a mediocre board and many members who did not understand their responsibilities.

An analysis with the whole board allowed them to identify just who these five new people should be. The board has gone through phases when all the members were white; at most, it has had three people of color on it. Like the tenant group, they have a narrow age range, with the youngest person in her thirties and the oldest in her late forties. The board had a wide variety of skills represented, with many of the members being self employed as therapists, consultants, architects, landscape gardeners and interior designers. The foundation decided it that they would attempt to fill all five places with women of color and would seek these women in the corporate sector and in the public sector. They want to raise more money from corporations and since many of their grantees receive government grants, they think that understanding the government sector will be helpful.

Four women form a nominating committee. One takes on calling the personnel director for every corporation in the community that has a reputation for being philanthropic or for having a strong affirmative action program. She explains the purpose of the group and their board goals and asks that

the personnel director forward names of qualified candidates, or suggest how she might approach employees of the corporation. Some directors balk at the requirement that the person be a woman and several have no women of color in their corporations to nominate. Other directors put an announcement in their internal newsletter; some speak with employ-

*The "right answer"
is less important than
the right attitude.*

ees themselves to ascertain their interest. By persevering, this committee member is able to get ten recommendations.

Two people from the nominating committee seek women in the public sector. They make an appointment to see the deputy mayor and wind up talking to his assistant. This person is not at all helpful. Undeterred, they contact members of the city council from their individual neighborhoods. Here they meet with more luck and are given three recommendations.

The nominating committee calls all 13 people they have been referred to; four are interested in serving once they learn what the job involves. They are interviewed and one drops out when she learns the group funds projects in the lesbian community. The other three are well qualified and believe in the purpose of the foundation.

The group still has two spaces left to fill. The nominating committee meets and brainstorms where else they could find the people they need. They decide to broaden the parameters of their search to include people who work for organizations that seek government funding, and people who write about current affairs. Now they pursue people in non-profit housing development, journalists, newspaper reporters, people in organizations seeking Community Development Block Grants (CDBG) or even Community Reinvestment Act (CRA) funding. One board member's partner works for a corporation developing an apartment complex of affordable and HUD-subsidized housing units. He is able to suggest a number of people who in turn suggest a number of people. This process takes about two months and results in three excellent nominees. As with the first group of nominations, the full board decides to take them all. All are women and all are people of color. Only two of the new board members know anyone on the current board.

Sometimes organizations fear that if they put this kind of recruitment process in place, they will not be able to attract any board members. A group that cannot attract any board members is not a group—it is a hobby of a few people and needs to rethink its mission. A group that has to go through four or five people to find one person who is a good board member, and does this for most of their board slots, will have a strong board. ■

Choosing a Telephone Fundraising Vendor

by Bruce Immerman

When I was a youngster, I would play cards with my family using pennies as chips. After a few games, the pot would fill up and there'd be thirty or forty pennies in the middle. When I eventually won a game, I would take all the pennies off the table and quit for the night.

That may be the essence of telephone fundraising.

Fundraising by telephone should, among other things, give you the flexibility to do exactly what you want, how you want to do it and when you want to do it. And if your program isn't obtaining the anticipated results, it should give you the flexibility to quit at any time.

Contrast that flexibility to a typical direct mail appeal program, which is on a very rigid schedule and sports a marketing message that cannot be changed at the last minute.

Naturally, much of your telemarketing success will depend on the vendor you select, but not for the reasons you may think. Most vendors are quite capable and will go out of their way to tailor your programs just the way you want them. But much more than the mail house-client relationship of a direct mail program, telemarketing is a partnership. For that reason, you, the client, must feel comfortable with your vendor and have confidence that they know their business better than you do. If you don't have that confidence, you will spend your time second-guessing your decisions and not enough time with the program itself.

What Are You Marketing?

Before choosing a vendor, choose the type of program for which you're going to fundraise. Is this going to be a renewal/upgrade campaign? A special appeal? An acquisition of new members? Is this a one-time campaign or a monthly event? Is it aimed at high-dollar donors or the bottom segments of your file? Lapsed or current givers?

What is your goal? Financial support for your organization is paramount, but in addition, are you trying to thank donors for their past support? Identify donors responsive to telephone solicitation? Introduce a new donor club? Convert annual donors to monthly pledge-givers?

These are all important questions because they affect how much you will pay for each call, the quality of the calling and the length of time needed for each call. These are key questions you must answer before choosing a vendor.

For example, if you are going to call high-dollar donors, at say the \$100-500 level, you have the latitude to seek a ven-

dor that charges more than if your target group is lower-level donors. Your investment will pay off because the high-dollar segments generally give more and at a better rate than low-dollar segments. This phenomenon holds true in direct mail and is even more reliable in telephone fundraising!

Nonetheless, if you will be calling the less committed portion of your file, you don't have to settle for second-best. In fact, how will you convert these donors to better givers if you don't show them the best part of your organization? If you've found a vendor that you're comfortable with, ask for income projections on each segment of your eligible file. If your low-dollar segments won't show a profit, make sure that your other profitable segments will more than make up for lower results elsewhere. (More on this later when we talk about pricing.)

Make sure you have enough eligible candidates to make a program worthwhile. Remember, only about half your donors will have listed phone numbers. To justify the start-up costs and time involved, you should have a base of 3,000-4,000 donors to have an effective and meaningful campaign. But don't be discouraged if your donor base isn't that large—telemarketing effectively is still within reach. You just may not be able to do all the testing you want, and you may not be able to make sweeping generalizations about your donors and telemarketing. You may also have to shop around a little more for a vendor.

The last question to ask is how long you want this campaign to run. If your audience is renewing or lapsed donors, you may need to plow through these calls in a week before the next cycle of notices begins. Some smaller vendors may not be able to deal in volume calls quickly enough. Others are so detail (and quality) oriented that try as they may, they won't be able to get through the file fast enough. There may be a place for vendors like these in your program; but if you're calling donors for their eighth renewal notice, detail and quality should not be at the top of the list! Speed leading to a quick yes/no renewal at the minimum amount may be what you're looking for.

Finding a Vendor

Finding a vendor is a combination job search/hiring process/advice interview extravaganza all rolled into one. Find prospective candidates from all sources you can: Call other non-profits in your area. Look in fundraising news-

letters and magazines for advertisers. When I began to look for vendors, I paid close attention to the calls I received at home. Ask the callers difficult questions, and listen carefully to their answers. Are you getting a bluff answer or real facts and figures? Finally, ask the name of the firm that's calling you and pledge a small amount. See what kind of printed pledge card you receive in the mail and how long it takes. Keep good notes.

Once you've made a list of potential vendors, arrange, if you can, to visit the site. Some companies have a separate calling center apart from their business offices. If you have a choice, always see the calling center. You'll meet the callers, who are, after all, the people who will be speaking to your donors. You'll see the technology being used, which will give you ideas about how to segment your file to make best use of the latest advancements. Meet the people who will be managing your campaign. (The calling managers are often different from your primary contact at the vendor.) Do you like the calling managers? Can you visualize interacting with them three or four times a week for the duration of the campaign, including planning and follow-up? If necessary, get a reference from someone who deals with that same calling manager. What are his or her strengths or weaknesses? This will help you when it comes down to decision making and program planning.

Ask for information. Provide audience segments and populations. Then ask, "How would your company handle these donors? What kind of results can we expect? What tests can we try?" Again, listen carefully. The difference in answers may surprise you, but note the similarities as well. Remember: Vendors are trying to make a good impression at this meeting. If they're not creative, enthusiastic and friendly now, you'll never see these attributes later, when they're in the heat of a campaign.

In a few weeks you should have a small file of income projections from potential vendors for the kind of campaign you want to run. Beware of generic "boiler plate" projections that have no bearing on your file segmentation. You should have, at least, the following fields of data: audience, contact rate, pledge rate, average gift, cost and net income. The table below is a hypothetical projection for a calling program to 8,500 members, segmented by most recent contribution:

Audience	Population	Contact	Rate	Average Gift	Cost	Net Income
\$25-49	5,000	0.75	0.2	\$55	\$18,750	\$22,500
\$50-99	2,000	0.75	0.25	\$75	\$7,500	\$20,625
\$100-499	1,000	0.75	0.3	\$105	\$3,750	\$19,875
\$500-999	500	0.75	0.32	\$525	\$1,875	\$61,125

The above costs are predicated on a fee of \$5.00 per contact.

Getting Your Money's Worth

When you meet with prospective vendors, find out what is included in the contact fee. (A "contact" is described as talking to a donor on the phone until a decision is reached. "I never give over the phone" is considered a reached decision.)

The basic elements of any telemarketing program, and that should be part of the fee for each contact, include: data processing, telephone number lookup, script development and caller training, printed materials, postage for reminder notices, and reports. Not all of these can be expected to be included in the contact fee.

a) *Data processing* — This task can include computer segmenting based on most recent gift or highest previous gift and last dues gift. Data processing work should include

*Make sure you
have enough eligible
candidates to make a
program worthwhile.*

creating and sending the daily campaign reports that you need to track your program.

b) *Script development* — This is what you're buying from the experts. They're going to have to pitch it, so let them write it. You do, of course, want final approval and you need to give them the background material from which to create the script. Remember however, the script is rarely recited word-for-word, and it's not supposed to be art, but it should have its facts straight and convey the mission and message of the organization.

c) *Caller training* — A good vendor will schedule several training sessions with you involved either on the telephone or in person. Even if callers are familiar with your program and have called for you before, training is essential. And you shouldn't have to pay extra for it.

d) *Pledge packages* — The vendor will send these out the day after calling and should charge you only for first-class postage. You assist them in writing these "reply" forms and reproducing your organization's art and logo. You also must send them lists of which donors have responded to the campaign so they can update their database every few weeks. Then, they can continue to send out reminder notices to those that have not fulfilled.

What's not included in the basic contact fee?

a) *Telephone lookup* — This is a cost you'll have to bear, but the vendor should not make a profit on it. Figure \$0.10 for each phone number found.

b) *Special pledge packages* — If you want some four-color job that's out of the ordinary, expect to pay a little more. Ask yourself if it's worth it.

Some vendors charge a minimum contact fee of around \$3.00 a contact. This will include none of the above—it's just the cost of calling your donor. Everything else is extra: figure 50 cents for the pledge package, 10 cents data processing fee for each member, etc. You may actually save money in this fashion. Since about 65% of your file will decline to pledge,

you may be paying the basic fee for most of your file—saving the higher costs for those that contribute!

Watch out for hidden costs both in the projections you receive and when you're figuring out costs for yourself. Go over the basic elements and ensure you've accounted for everything. Recently, a vendor gave me a bid projecting a \$3,000 profit on the proposed program. He neglected, however, to include postage in the projections—a \$3,300 cost that would have cancelled out any profit we would have realized!

What Should It Cost?

Take another look at those income projections. Look at the total cost the vendor expects to charge for all your segments. Now add in postage for those pledge and reminder packages. (Figure that everyone who pledges will receive, on average, 1.5 reminder packages. Multiply that by first-class postage.)

Your program costs should be about one-third of your total income. Put another way, you should expect to spend

thirty cents to raise one dollar. This is also what a strong direct mail program will cost. So you're not really spending any more money to raise funds by telephone—but the stakes are higher because the direct contact with donors increases the response, more than making up for the higher program costs.

If your projected costs are higher than one-third of the projected income, you may want to re-think some aspects of your program. Are you calling only your best donors? Can you segment more efficiently to include donors who have given a gift in the past 12 months? Even better, can you segment to reflect donors who have given two gifts in 18 months?

At my organization, we have purged two-time telemarketing refusals from the file and we consistently meet or exceed cost and income projections by phoning only the best and most responsive donors.

Negotiating the Contract

Legal issues aside, the contract gives you the chance to spell out clearly all expectations of your vendor. It also gives

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Kim Klein, publisher of the *Grassroots Fundraising Journal* and author of *Fundraising for Social Change* (now in its Third Edition), is a nationally known fundraising trainer and consultant. Kim is best known for adapting traditional fundraising—particularly major donor campaigns—for use by organizations with small budgets and those working for social justice. She has provided training and consultation in 45 states and 11 foreign countries.

you the chance to negotiate fees, especially in areas where your net income may not meet your expectations. For instance, in the example of income projections above, the \$100-499 segment has a lower net income than the other groups. The contract negotiations give you the opportunity to state your case to the vendor: After all, if the segment won't show a substantial profit, why should you call at all? That's not the argument a vendor wants to hear. Perhaps he or she may offer an incentive on that segment—a lower contact fee that would assure the vendor of continued calling in that segment.

The contract also gives you a chance to state in writing any special needs your program has. My organization, The Nature Conservancy of California, prefers to have the names of pledges of \$500 or more faxed to us immediately so that we can personally thank the donor for their pledge the next day. We have this requirement in writing so the vendor clearly knows our expectations and can be held accountable. We also include the length (in weeks) of the calling program in our contract because that's an important element for us.

Remember when we discussed the flexibility of telemarketing? The contract is the place where your flexibility is spelled out. In your contract, you must have the right to terminate phone calling not just to any segment in your file, but to terminate all calling in the program with reasonable notice.

Why do you need this? Here in California, for example, with so many natural disasters and other strange occurrences, this is valuable insurance. If our calling programs were centered on members in San Francisco or Los Angeles, for example, when the recent earthquakes occurred, or in Oakland or Laguna Beach during their recent wildfires, we would have fallen short of our goals and appeared to be callous and unconcerned with anything but our own welfare. With telemarketing's flexibility, you can stop the calling immediately in those affected areas and either resume at a later date, or not at all. Think of the difference with direct mail. When a disaster strikes in a community, the mail is the last thing people think about and there's nothing you can do about it.

The other element that your "insurance" provides is the ability to test segments. Last year, we telemarketed to a certain low-dollar segment of our file. After a few weeks, we realized that, though productive, this segment was draining resources best used on other parts of the program. With 48 hours' notice, we stopped calling those segments. Without our contractual flexibility, we would never have risked calling those groups to begin with.

Start Now, Pay Later

What if you haven't budgeted for a phone campaign? This question has been asked a lot recently as direct mail results plunge and groups think about using telephone fundraising to augment their income. Talk to your vendor about financing your campaign from the proceeds. Maybe you'll need to come up with a little money up front, but once the campaign gets going, you should be able to cover costs

easily. Vendors will be reluctant to process the income themselves, and you're better off if your organization receives all contributions. But insufficient initial resources should still allow you to run a good campaign.

Evaluating Your Program

Your campaign is underway — what do you look for?

With a direct mail campaign, you send out your letters and wait for the returns, then analyze the results and fine-tune the next appeal accordingly. A telemarketing campaign, as you might expect, offers—indeed requires—daily evaluation and opportunities to fine-tune for better overall results.

Are you meeting the "30 cents on the dollar" cost-per-dollar-raised formula on all segments? If not, how can you improve? What does the vendor suggest?

Are you getting a lot of complaints about bad manners on the phone? (Distinguish these from donors who are upset about being called.) Monitor the calls—your vendor can patch you in to listen to the callers live—and identify the callers who are not sounding satisfactory to you.

Are you finding out a lot about your members? For instance, who is thinking about making a planned gift? Who wants information about the \$1000 club? Are they getting burned out by too much solicitation? These are all valuable indicators about your phone campaign. If things seem a little quiet, your callers are most likely talking at your donors, not conversing with them.

What's the fulfillment like? A good campaign will feature a 75-80% fulfillment rate. Anything lower than that and you may suspect that callers were talked into pledging instead of being convinced about the cause. It also may mean that notices weren't sent out on time, or the printed materials weren't convincing. In any event, you may need to talk with your vendor about these problems. A difference of 5% on fulfillment can mean tens of thousands of dollars in lost income. During our last telephone campaign, pledges made by credit card amounted to half of the costs of the program, so 50% of our expenses were already in the bank. We didn't have to worry about lost fulfillment dragging us down later.

In conclusion, telemarketing gives you the flexibility and resources that a direct mail program can't. The excitement begins after you've found the right partner to work with. The challenge is to make it work for you and your organization. ■

Bruce Immerman is Associate Director of Membership for The Nature Conservancy of California and enjoys speaking on the telephone.

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State of the *Journal*

As the *Journal* enters its 14th year, I enter my 41st. The *Journal* and I are mirrors of each other in many ways. We have grown up together and witnessed extraordinary changes that I have tried to incorporate into these pages. Every world event is reframed in my mind into "How will this affect fundraising?" Reagan? The Gulf War? Recycled paper? Changes in tax laws? What will these mean at the grassroots level?

The *Journal* is the primary vehicle for this information, whether it comes from me or from the many people who contribute to these pages. The *Journal* is still a small publication, with just over 1,000 subscribers and no full time staff. It has readers all over the world, and many of its articles are translated into other languages and used in trainings and publications in other countries. Many subscribers pass their copy on to others, so each issue is read by three or four times as many people as subscribe. The frequency with which we have to replace issues that are "borrowed" from libraries and Foundation Center collections testifies to the need people feel for the information contained in here.

In the coming months, the *Journal* will reflect on the information superhighway, the rise of the right wing, and the impact of a Republican Congress on fundraising. For now it is clear that an already strained nonprofit sector will be called on to do much more and do it with much less. Individual giving, which exceeded the rate of inflation in almost each year since the American Association of Fund Raising Counsel began keeping records in 1937, has stopped growing so fast and is no longer keeping pace with inflation.

So, what else is new for grassroots groups? The grassroots is well positioned now because it is in the same position it has been for decades. From the point of view of those of us committed to social justice, things will get worse during the next few years, continuing on a trajectory that started many years before this election, but moving even more rapidly than they have in recent decades.

Grassroots organizations will do what we have always done in times like these, which are all the times of my adult

life: we will hunker down (even further), make do (with even less) and work harder. We will do this because we know that change can and does happen. The recent firing of Dr. Jocelyn Elders is an example of this: she was fired because she was far too forthright about sex and she told the truth in terms that were too raw for her bosses. That she was fired is a terrible

*The already strained
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thing, but we can't lose sight of the fact that a Surgeon General had talked extensively and plainly about sex and sex education for two years, and that no one in her position had spoken so boldly before. The extent of the current backlash against immigrants, gays and lesbians, women and poor people is, in a twisted way, a tribute to how much strength and power those communities have built up.

Smart, efficient, effective fundraising will be more important than ever, which is how important it has been for the past fourteen years. The *Journal* will continue to emphasize that this kind of fundraising is characterized by using a lot of people, training as many people in your organization as possible, playing to people's strengths, and making sure that your organization is not reliant on any one or two strategies or any one or two people for the bulk of its fundraising efforts.

If there is one thing I have learned in the fourteen years I have been publishing the *Journal*, it is that I am going to keep working. As the civil rights song goes, "We've come too far to turn back now." ■

Book Review

by Kim Klein

The Seven Faces of Philanthropy: A New Approach to Cultivating Major Donors

by Russ Alan Prince and Karen Maru File
Jossey-Bass, Publishers, 1994
219 pages, \$27. 95

The Seven Faces of Philanthropy is being touted as "a major breakthrough for the field of fund raising" and "a powerful new tool to enable fundraisers to maximize their effectiveness when approaching major donors for gifts." The authors are widely sought after as speakers and have even developed a course to be taught through the Fund Raising School at the Indiana Center on Philanthropy.

So, I hesitate to do what I must do, which is to trash this book thoroughly. I wonder, am I missing something? Perhaps my copy of the book isn't the real book but a joke someone has played on me to get me to write bad review of a good book. I don't know, but the following is a synopsis of what this book is about, and *Journal* readers can decide for themselves if this book is a great breakthrough, or as I suspect, a careless and poorly done attempt to do something that is dangerous in itself—to divide people into categories and then ascribe all their behavior to simple categorization.

The book is an in-depth study of 218 people who maintain \$1 million or more in a discretionary investment advisory account and who contributed \$50,000 or more to a single nonprofit within the last two years. The group studied is out of the realm of most grassroots organizations and represents a tiny fraction of actual donors in the United States, even of wealthy donors. Although this small sample of people was studied in depth through interviews and focus groups, more than 800 wealthy people participated

in various ways in the process of determining the categories of behavior and motivation described in this book.

The categories themselves are not really problematic and there are insights to be derived from thinking about people's charitable motivations and how to appeal to them. The problems with this study arise when we look at who is described as fitting into these categories, and the simplistic nature of the analysis done.

The seven categories, their definitions and the people in them as described by File and Prince, follow.

Communitarians:

Doing Good Makes Sense

The largest segment of Prince and File's donor survey (26%), this group believes that giving helps their communities prosper and that giving to or serving on nonprofit boards helps their businesses. 91% of this group is male and 75% are business owners.

The Devout:

Doing Good is God's Will

This second-largest segment (21%) is motivated by religious belief and most of their giving goes to their religious institution. 84% of this group is male and 81% are business owners.

The Investor:

Doing Good is Good Business

Investors give with one eye on the nonprofit and one eye on personal tax and estate consequences. This is the third-largest segment (45%); 86.7% are male and 74% business owners.

The Socialite:

Doing Good is Fun

Prince and Maru say, "Socialites find social functions benefiting nonprofits an especially appealing way to help make a better world and have a good time doing it." This group (11%), surprise, surprise, is the only one dominated by women. 62.3% of socialites are women and 74.7% of them get their wealth from the privately owned businesses managed by their spouses.

The Repayer:

Doing Good in Return

Repayers (10%) have personally

benefited from something that a charity has done and now seek to give something back out of a sense of loyalty or obligation. The study shows that repayers are more than twice as likely to be male and 76% are business owners.

The Altruist:

Doing Good Feels Right

This is the second-smallest segment of the donors the authors surveyed (9%). These people, who Prince and File do not break down by sex, are selfless donors unmotivated by a moral imperative to give. Altruists, more than any others, focus their giving on social causes. Almost 70% own businesses.

The Dynast:

Doing Good is a Family Tradition

Dynasts are the smallest segment surveyed (8%). They give because they have been taught to and believe it is expected of them. Not surprisingly, men and women are represented equally, as their income is derived from inheritance or from family businesses.

The authors do not reflect on why almost all the categories are dominated by men except dynasts (which would have to be equally men and women), or socialites. Nor do they explain the amazing coincidence that in every category wealth was derived from businesses owned or managed by the people in the category except for those lucky socialites who live on the earnings of their spouse. From the lengthier descriptions of the donors, I conclude that almost all were white, but no reference to race is made. This omission is careless but possibly forgivable since the bulk of upper class donors are white. Nowhere do File or Prince say what percentage of their study were men or women, or give any other demographic details except about their wealth. I wonder if the fact that almost all the categories are dominated by men is a reflection of a bias toward male respondents in the survey.

Since I work with so many women's organizations and women's

foundations, I read more closely the category in which women dominated. Just because it was called "socialites," I thought, doesn't mean that the authors will describe these people as shallow. However, the description of socialites as feeling that "doing good is fun," and "Socialites tend to support organizations which offer more opportunities for socializing" or "Socialites are unanimous that they expect individual attention from the nonprofit," or "a lapse in attentiveness will result in their withdrawing support" made me realize that this is exactly what they were doing. The sexism displayed in this study and particularly in this chapter made me want to gag.

I looked at another category of interest: the devout. Again, the authors make no mention of what percent of their study were Jewish, Protestant, Catholic, Mormon, Muslim? Which people came from a tradition of giving 10% of one's income and which come from a tradition where giving is encouraged, but percentages are not as emphasized? Generally, the "devout"

were described as people who believe that their affluence is a gift from God to them, and so they should give some of it away. This is a disservice to many wealthy religious people who have much more complicated theological reasons for giving.

This study did not acknowledge the fact that people are complicated, with multiple motives or more than one identity.

Little discussion is given to the very real possibility that a donor could have inherited money (a dynast) and also be religious (devout) because of being a cancer survivor and believing that faith had pulled her through, so wanting to help others in the same situation (repayer) while having fun (socialite).

Other sections cover the topics of using charity networks, building relationships with donors, marketing different giving strategies to different donors depending on category and so on. These sections were as lacking in insight as the rest of the book.

There are other problems too.

Having chosen such profoundly upper-class donors, the authors do not discuss the role that class plays in how donors choose charities. Nor do they address donors' political identity, or what politics means to them, or if they give to political races or causes. It would also have been interesting to know whether any ever had to defy the status quo because of something they believe in. For example, some of these donors must be gay or lesbian, or married across class or race lines. Some may be disabled or incest survivors or recovering alcoholics. Of course, the study can't be expected to look at everything, but it is not too much to expect that it would look at more than one shallow set of stereotypes.

This book is a waste of time to read; I only take the time to describe it because of the wide recognition it is getting, which speaks volumes about the lack of critical analysis in the fundraising field, particularly with regard to race, class and gender. But that is a topic for another time. ■

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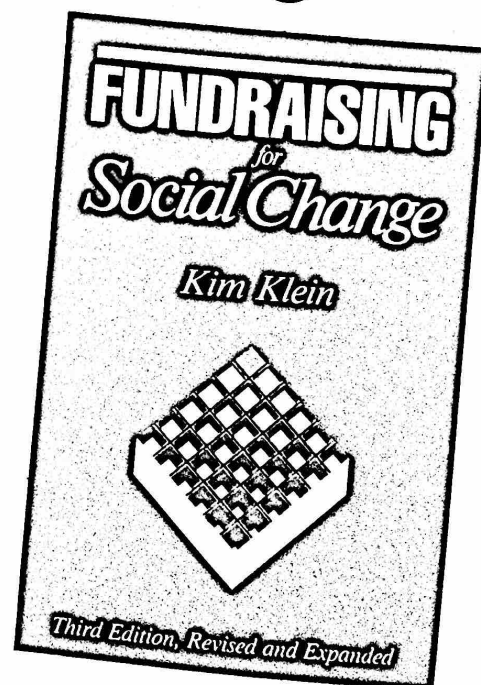
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