FUNDRAISING IDEAS THAT WORK!

Grassroots Fundraising Journal

VOLUME 23 • NUMBER 2
MARCH/APRIL 2004

Featuring:

Finding Foundation Funders

By Andy Robinson

Also in this Issue:

- WHAT BUGS DEVELOPMENT DIRECTORS
- A DONOR SPEAKS OUT
- SOCIAL JUSTICE AGENDA FOR THE NONPROFIT SECTOR: A CALL TO ACTION

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Contents

VOLUME 23 / NUMBER 2 ■ MARCH / APRIL 2004

On Our Cover WINSTON VAUGN AND HIS COMPANION, FRIDA, ARE POSED ON TOP OF CHEESE, A PET HABITAT DESIGNED FOR PETCHITECTURE, AN ANNUAL FUNDRAISING EVENT FOR SAN FRANCISCO-BASED PETS ARE WONDERFUL SUPPORT (PAWS) THAT DRAWS OVER 1,400 PEOPLE AND SHOWCASES ANIMAL HABITATS CREATED BY SOME OF THE BAY AREA'S TOP ARCHITECTS AND DESIGNERS. PAWS OFFERS SERVICES TO ENABLE PERSONS WITH AIDS AND OTHER DISABLING ILLNESSES TO KEEP THEIR ANIMAL COMPANIONS HEALTHY AND TO REMAIN A PART OF THE FAMILY. MORE INFORMATION AT WWW.PAWSSF.ORG.

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LETTER FROM THE PUBLISHER

KIM KLEIN

Many people do not realize the extent to which the USA PATRIOT Act and the Homeland Security Act are having a chilling impact on legitimate and uncontroversial nonprofit work. Here are some examples: Recently a funder on the central coast of California told me about a small grants program through which her foundation occasionally funds unincorporated neighborhood groups. These grants, ranging in size from $250–$1,000, can be used for any neighborhood concern, such as playground equipment or tree planting. A recent grant for $700 was awarded to a school safety patrol group so they could buy reflective tape and batons to help escort children across busy streets. When the group went to the bank to open an account with their grant check they were told that, due to the USA PATRIOT Act, someone in their organization would have to show proof of citizenship to open the account and deposit the check. This was a challenge, since most of the members of this community group were undocumented immigrants. They eventually crossed that hurdle and took their new checks to a Wal-Mart store to buy their equipment. There they were told that, under new security regulations, they could not use the checks without proof of nonprofit status (which they don't have because they are not incorporated). All this to prevent $700 being used to finance terrorism!

On a much larger scale, the International Music Network reports that hundreds of concerts around the country have been delayed or cancelled because the artists can't get visas in a timely fashion. In one instance, five members of a Church of England girls' boarding school were branded "potential illegal immigrants" and banned from a U.S. tour that included a concert at San Francisco's Grace Cathedral. Delays and cancellations have resulted in the loss of millions of dollars for cultural nonprofits.

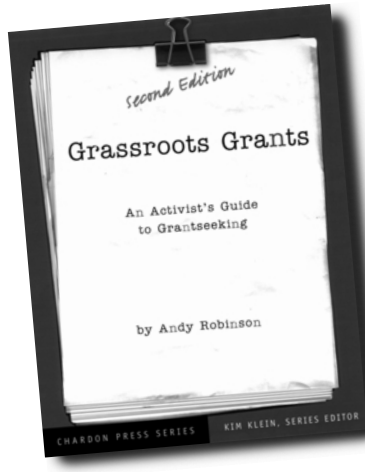
While we should write to our representatives when things like this happen, we must also move beyond a case-by-case basis.

In the larger picture, the nonprofit community must take an aggressive stance in favor of fairness, equality, and equity. In this issue of the *Journal,* you will find a Call to Action signed by me and three other nonprofit leaders toward this end. I encourage your group to consider it carefully and join in the discussion.

Two other articles in this issue also raise "big picture" issues. Stephanie Roth looks at the most common complaints of development directors and suggests ways of dealing with them. Nick Prassas gives us a view from the giving side: What do donors want? As you will see, his requests are reasonable and yet often not honored. On a nuts-and-bolts level, Andy Robinson provides important information to help you do research that will make your foundation grantseeking more efficient and effective.

We invite you to take a look at our revised website, where you'll find past *Journal* articles (now searchable by topic, author and title), fundraising news, and much more: *www.grassrootsfundraising.org.*

FINDING FOUNDATION FUNDERS



BY ANDY ROBINSON

EDITOR'S NOTE: If you've been involved in fundraising for any length of time, (or read more than a couple issues of the *Grassroots Fundraising Journal*), you know that a healthy, sustainable organization does not depend on foundation grants for the bulk of its income. Because foundation funding accounts for only about 12% of all the private (non-government) funding for nonprofits in this country, it's important to balance your efforts to get foundation grants with ones to generate support from a broad base of individual donors. Having said that, when you *are* seeking grants, it's extremely important to do your homework. This article will teach you how to sift through thousands of grantmakers to identify the best prospects for your work.

DO YOUR HOMEWORK!

You don't have to paper the world with grant proposals to raise money. According to numerous funders I interviewed, between 40 percent and 75 percent of the proposals they receive don't fit their guidelines. Terry Odendahl, formerly of the Wyss Foundation, speaks for many when she sighs, "Two out of three applicants haven't done their research."

Why are we doing so poorly with our homework? Let me venture a few answers:

• Grassroots groups are too overwhelmed to invest the time or energy, which in the long run reduces their fundraising success, making them feel even more overwhelmed.

• People who prefer print (they call us "ink readers") are less comfortable doing research on the computer, while computer geeks don't want to study the print sources. Thorough research requires both.

> YOU **DON'T** HAVE TO **PAPER THE WORLD** WITH **GRANT PROPOSALS** TO **RAISE MONEY**.

• Some activists prefer the "shotgun" approach, assuming that sooner or later they will find a good match through volume and luck. Since fundraising is primarily about relationships — strangers seldom give money to strangers — this strategy seldom works.

• Research requires diligence and organization, and a lot of us don't follow through as well as we should.

That's the bad news. Here's the good news: the more thoroughly you conduct your research, ask smart questions, and cultivate foundation contacts, the more your organization will stand out from the crowd. When sloppy work is the norm, competent, well-organized groups have a big advantage. By doing your homework and building good relationships, you can raise a lot of money.

FOLLOW THE GUIDELINES

Before we dive into the research process, I must emphasize the most obvious point, which is also the most important point: follow directions. Most grantmakers — especially those who are bold enough to accept unsolicited applications — publish guidelines to help you, the grantseeker, decide if you meet their criteria. Not only that, they even tell you how to format your proposal, when to submit it, how many copies to send, and what to attach. Unfortunately, many grantseekers are too desperate or lazy or blindly optimistic to follow (or even request) the guidelines.

The remainder of this article outlines four phases of grant research: sleuthing, using computer resources, visiting the library, and studying funder guidelines. Follow these steps diligently and you'll greatly improve your odds.

PHASE ONE: SLEUTHING

A good detective is always sniffing around for clues, asking questions, drawing conclusions, and testing those conclusions against the evidence. For fundraisers, clues are everywhere. The following steps will help you hone your detective skills.

Study nonprofit newsletters. Contact all the groups you can think of — national, regional, and local — that work on issues similar to yours or work with similar constituencies, and request their newsletters and annual reports. Even better, make a donation and have your name added to their mailing lists. If you can't afford to contribute, suggest a free publication exchange between your groups. More and more organizations have Web sites and post their publications online. By looking over the shoulders of your brother and sister groups, you can learn who is funding them.

Keep an eye on local nonprofits, regardless of their issues or programs, as well as groups in other geographic areas with programs that resemble yours. The local connection is important, since most foundations restrict their giving to certain communities or states. The program connection is just as important, because regional and national grantmakers tend to focus their funding on certain issues and populations.

> BY **LOOKING OVER** THE **SHOULDERS** OF YOUR **BROTHER** AND **SISTER GROUPS**, YOU CAN **LEARN WHO IS FUNDING THEM.**

Check with your peers in other groups. Call up your colleagues and say, "I've been reading your newsletter and I saw that you got a grant from the XYZ Foundation. How did that happen?" Shelley Davis of the Joyce Foundation says, "Talk with your peers and ask, 'What's the process? What were you funded for? Who did you work with at the foundation?'"

In my experience, colleagues are willing to share this information on the assumption that, sooner or later, you will provide similar information in return. Understand that when you receive funding from an institution — a foundation, public charity, corporation, labor union, faith organization, or government agency — that information is part of the public record. Anyone can get it from the Internal Revenue Service or other sources, such as GuideStar.org. (Conversely, contributions from individuals are generally considered confidential, unless the donor tells you otherwise.)

You can choose to be secretive about where your grant money comes from, but secrecy won't benefit you. It's wiser to share funding information so you can receive new information in return. Perhaps you can strategize with your colleagues about a joint grant proposal.

Talk with funders. People who give away money for a living know a lot of other people who give away money for a living. They talk on the phone, share notes, and go to conferences together. To varying degrees, they try to influence each other's funding priorities.

Begin by asking your current foundation supporters for suggestions. Because they work in the funding world, they often have the most up-to-date information and the strongest relationships with their peers. They might be willing to recommend your organization to other grantmakers or write letters of support.

As a next step, compile lists of foundation trustees that fund in your geographic area and are interested in your issues, then circulate these lists to your board, staff, and key volunteers. Anyone with a "live" relationship should be involved in sounding out the funder. Be careful here — some foundations don't want you talking with their trustees about a pending proposal. If you're not sure about the protocol, ask.

Make appointments to meet the staff of your local and state community foundations. These people serve as professional matchmakers and, if impressed with your programs, can recommend you to prospective donors.

As you do your research, you will start to gather leads, names, and ideas. I encourage you to create a file marked "Grant leads — to be checked." When you find a list of foundation supporters in an annual report, tear it out (or photocopy it) and put it in the file. If you see a story about a local foundation in the newspaper, clip it. When a colleague says, "You should investigate the Justice for All Foundation," ask additional questions, write down what you learn, and file it.

As you're reading through donor lists and talking with colleagues, practice "grant-thinking": How can you present or package your work to interest the widest range of potential funders? Your success at getting grants will be based, in part, on your ability to divide your work into separate programs and projects. If you haven't done so by now, start to think about your work in terms of categories and constituencies. What's your issue or subject? Who are you trying to reach, to serve, to empower? Do you work with a variety of population groups? Do you have a variety of projects? Do you operate in more than one city or state?

In other words, how many fundraising "handles" can you create?

PHASE TWO: USING COMPUTER RESOURCES AND WEB SEARCHES

The Internet is overflowing with information for grantseekers. Many websites and services are credible and helpful, while others are less useful and some are downright bogus. Despite the sheer volume of data, keep in mind that the Internet is not a comprehensive source of free grant information.

For example, the Foundation Center reports that we now have about 70,000 private and community foundations in the United States, but the Foundation Center search engine — one of the best in the field — provides links to fewer than 3,000 funder websites. It appears that the vast majority of grantmakers do not have their own website. To access some of the most useful data, you may need to pay for search products, purchase printed directories, or visit your closest Foundation Center cooperating library collection to look at this stuff for free.

PHASE THREE: DOING LIBRARY RESEARCH

Since grassroots organizations seldom have the money to afford electronic research products or buy print directories, an occasional trip to the library remains an important part of the research process.

The Foundation Center operates reference collections in New York, Washington, D.C., Atlanta, Cleveland, and San Francisco. More than two hundred cooperating collections at libraries, community foundations, and other nonprofit agencies throughout the U.S. and Puerto Rico also contain grant research and proposal writing materials.

Each cooperating collection includes a core set of reference books published by the Foundation Center as well as a copy of their searchable CD-ROM database, FC Search. Some grant collections serve a broader function as local nonprofit resource centers, with books and magazines on general fundraising techniques, major donor solicitation, benefit events, earned income strategies, board development, publicity, strategic planning, incorporation and tax issues, philanthropic trends, and nonprofit management.

Finding Funders on the Internet

To get you started in your Internet research, here's a list of relevant Web addresses. These sites will provide you with background information and steer you to specific funders and funding opportunities. Keep your eyes open for links between grantmaker interests and your work, and take good notes.

Foundation Center — *www. fdncenter.org*. The website includes list of cooperating library collections (fdncenter.org/collections/) and a listing of state and local grant directories (fdncenter.org/learn/topical/sl_dir.html) that profile many smaller, locally based funders.

Canadian Centre for Philanthropy — *www.ccp.ca.* The CCP researches Canada's charitable sectors and publishes the *Canadian Directory to Foundations and Grants.*

GuideStar — *www.guidestar.org.* Free access to the tax returns of more than 850,000 U.S. nonprofits, including charitable foundations; often the best available information on small family foundations.

National Network of Grantmakers — *www.nng.org.* The progressive wing of the funding community. Members are interested in social change, human rights, economic and environmental justice, and so forth. Their NNG Grantmakers Directory lists more than 200 progressive funders.

Council on Foundations — *www.cof.org.* The mainstream professional association of grantmaking foundations and corporate giving programs. Funders interested in similar issues or constituencies work together to share information and develop common strategies. Thirty-seven COF affinity groups include the Neighborhood Funders Group, Native Americans in Philanthropy, Grantmakers Concerned with Immigrants and Refugees, and the Disability Funders Network.

Environmental Grantmakers Association — *www.ega.org.* An extensive network of funders that support conservation and environmental activism. Their website includes a brief but useful directory of environmental funders.

The following research strategy can and should be adapted to meet your own needs. If you'd like assistance or other ideas, talk with your local librarian. Some libraries offer a hands-on orientation session to get you started.

1. When you go to the library, bring a pen or pencil, paper to write on, scrap paper (to tear into strips for bookmarks) and money for the photocopy machine. Don't forget your "Grant leads to be checked" file.

2. Collect several grants directories from the shelves. The most useful resources are *The Foundation Directory, The Foundation Directory Part 2, The Foundation 1000, The Foundation Grants Index* (all published by the Foundation Center) and the *Foundation Reporter* (published by Taft). There are also many subject-specific directories. If you're seeking grants from major corporations or corporate foundations, start with Taft's *Corporate Giving Directory* and the Foundation Center's *National Directory of Corporate Giving.*

Many grantseekers find that state or regional funding directories are more relevant to their local funding needs than the national directories and databases. State or regional directories may also capture local funding opportunities that the national databases miss, providing the best prospects for community-based groups. Sixty-five state or regional directories now cover 47 states. They are compiled and produced by a variety of nonprofits, universities, and private businesses. Most are published in print or CD-ROM formats, but 12 are available online; subscription prices range up to $500 per year, with most costing about $200. Check with your local library for free public access to these print directories and databases. For a list of state and regional directories, check the Foundation Center's website.

3. Work through the names in your file. *The Foundation 1000* and the *Foundation Reporter* have the most in-depth information, so look up your prospects in these directories first. If you can't locate a particular prospect, try *The Foundation Directory, Part 1* and *Part 2*. These books cover a lot more grantmakers, but in much less detail.

As you read through the entries, be aware of the following types of information:

YOUR **SUCCESS** AT **GETTING GRANTS** WILL BE BASED, IN PART, ON YOUR **ABILITY** TO DIVIDE YOUR **WORK** INTO SEPARATE **PROGRAMS** AND **PROJECTS**

- *Geographic restrictions.* Most funders limit their donations to groups working in certain cities, states, or regions. Does your group fit within their geographic boundaries?
- *Fields of interest.* These define the issues, subjects, and types of organizations grantors prefer to support. Broadly speaking, are they interested in the kind of work you do?
- *Grant size.* Do they offer an appropriate amount of money for your project? Too small is fine, since you can piece together multiple grants — unless you're trying to raise $50,000 from funders who give $1,000 grants. On the other hand, you're unlikely to raise $2,000 from a foundation whose normal grants range from $25,000 to $200,000.
- *A recent list of grants.* Review the list, if one is available. Are any current grantees doing work that relates to, or overlaps with, the work of your organization?

If the answer to these questions is yes, you've identified a prospect. Write the appropriate information on a piece of paper or use a book mark to hold the page so you can photocopy it later. (Make sure to follow all applicable copyright laws.) Sooner or later you should check the foundation's website for current guidelines and annual report information, although this task can wait until you return to the office. If the foundation doesn't have a website, request this information via letter, e-mail, fax, or phone; more on this in the next section.

***4. Learn how to use* FC Search.** Each Foundation Center cooperating collection has a copy of *FC Search,* which compiles all their directory information onto one CD-ROM. The librarian can teach you how to use the database. Expect to pay a small fee for every page you print, or buy a diskette from the librarian so you can save your results and take the information with you.

Since the data in the Foundation Center print directories is also on their CD, in principle one would not need to look at both. My experience has proved otherwise. You're likely to find information and leads in one format that you would overlook in the other.

Even if you go to the library without a list of leads, you can still identify lots of prospects, though the process will take a little longer. Grant directories and databases are generally indexed by the name of the foundation, the names of their officers and trustees, the geographic areas in which they contribute, and the subjects, issues, and constituencies they fund. Review the subject index and find your program area(s). If, for example, your group helps Hispanic women to develop their own businesses, look for headings such as "women's issues," "minorities — Hispanic" and "entrepreneurship." Beyond that, it's simply a matter of reading the entries of each foundation listed in your subject and geographic areas and matching your programs with the interests of potential grantmakers.

If you choose to solicit help from your board and staff in developing relationships with foundation officers, the best resource is the *Guide to U.S. Foundations,* published by the Foundation Center. This massive directory lists the board members of more than 58,000 foundations, and includes an alphabetical index of trustees by name.

DESPITE **THE SHEER VOLUME** OF **DATA**, KEEP IN MIND THAT THE **INTERNET** IS **NOT A COMPREHENSIVE SOURCE** OF **FREE GRANT INFORMATION**.

Another good resource is *The Chronicle of Philanthropy,* which is published 24 times a year. Each issue contains a feature called "New Grants," which you can use to identify new prospects and update your older foundation files. The publication also includes a regular "Deadlines" feature that describes current requests for proposals (RFPs) from a variety of foundation, corporate, and government grants programs.

PHASE FOUR: STUDYING THE CURRENT GUIDELINES

Foundation directories and computer search tools are incredibly helpful, but they have two significant drawbacks: the information is necessarily brief and is often dated.

To complete your research, go straight to the source — the grantmakers themselves — and ask for three things:

- ***Guidelines*** — information about funding criteria and the application process
- ***Annual report*** — the foundation's goals, programs, and accomplishments
- ***List of grantees*** — which groups received funding (this is often included in the annual report)

If the funder has a website, you're likely to find the information online. If not, you'll need to ask directly with a query letter. This is a request for information, not money, and can be sent via e-mail or the postal service. As an alternative, you can request this information by phone (though I've always had better luck through the mail).

The query letter is your first contact with the funder and might spark the interest of foundation staff, so be sure to include a bit of background information on your work. In a paragraph or two, briefly outline your mission, programs, budget, and sources of revenue, including other foundation supporters. Then request the grantmaker's guidelines and annual report, including a list of recent grantees.

Read these materials carefully, especially noting changes in deadlines, program focus, or grant amounts. Create prospect files for all promising grantmakers. Include their guidelines, annual reports, and any relevant research data you've gathered.

Now try to match your programs and projects with the funders' interests. Compare their language with yours: Do they describe the problem in a similar way? If not, can you use their language and feel comfortable with it? How about their approach to social change: Do they emphasize the same strategies as your group? Do they focus on the same constituencies?

> IT APPEARS THAT THE VAST **MAJORITY** OF **GRANTMAKERS DO NOT HAVE** THEIR **OWN WEBSITE**.

Based on a very careful review of the information, you're likely to eliminate half the prospective funders because you don't fit the guidelines. Don't feel bad. The ones that remain are good candidates and worth investigating further. GFJ

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What Bugs DEVELOPMENT DIRECTORS

BY STEPHANIE ROTH

In the November/December 2003 issue of the *Grassroots Fundraising Journal,* Mary Humphries describes the role of the "primary fundraiser" as including planning, coordinating, mentoring, evaluating, and so on. When I read the article, I wondered how many development staff people (especially development directors) identified with these roles and felt they reflected the reality of their jobs on a daily basis. I know that many development staff feel the burden of being almost single-handedly responsible for bringing in the money for their organization, which often keeps them from having the time to do the broader range of tasks that Mary Humphries described.

In an effort to get a better idea of development directors' discontents, beyond the occasional random conversations I have with my colleagues, I interviewed seven people with extensive experience in development about what bugged them the most about their jobs. Their experience covers a wide range of organizations, from those with very few paid staff to others with separate development departments of five or more people.

I was pleased to talk to development directors who have found organizations that are open to their leadership.

Though this article focuses on the pet peeves of development directors, it was interesting to see that many of them had been in their positions for many years and were basically very happy with their jobs. Surveys have found that turnover in development positions is high — 18 to 24 months is the average length of time someone stays in a job — so I was pleased to talk to development directors who have found organizations that are open to their leadership, and who are willing to struggle with the challenges described below.

Following the list of top ten peeves, I give some suggestions for how you might respond if these are affecting your own development work.

TOP TEN PEEVES OF DEVELOPMENT DIRECTORS

1. Foundation program officers who expect that development staff can produce proposals and reports on a very short timeline. Because of the challenges of getting foundation funding and the unequal nature of the relationship between an organization and foundation funders, development staff feel a lot of pressure to respond quickly to every foundation funder's request. Other complaints about the foundation world focused on program officers who suggest that organizations "think bigger," but whose foundations don't fund risky new programs, and those who don't really understand your programs but act as if they know better than you how your organization should do its work.

2. Donors who assume their gift entitles them to special treatment. Though most major donors are happy to support the work so long as they feel kept up to date about its progress and how their money is being used, there are some who seem to feel that their check opens the door to extras, such as a seat on the board or requests that the organization not take certain political positions. In one organization that generates a lot of its income from fees for service, many donors who had made large gifts expected to get the services for free.

3. An executive director who doesn't clearly understand the role of the development director and doesn't work in partnership with him or her. Rather than recognizing that they retain major fundraising responsibilities, some executive directors feel that fundraising is out of their hands once a development director is on board. One development director recalled an executive director who was extremely reluctant to meet with donors. After finally going to a meeting with a major donor, the executive director confessed to the development director that he couldn't bring himself to ask for a gift and that he had removed the donation reply envelope from the organization's new brochure before giving it to the donor. Another development director reported that the executive director of her organization often started meetings with donors by saying, "Let's get the worst part out of the way…I'd like to ask you to give $500 to our current campaign."

4. Organizations that create programs without consulting development staff about prospects for funding or the lead time required to generate new sources of support. Though often excluded from program planning discussions, development staff can find they are expected to generate the funds for new programs, even if the likelihood of finding sources of support is extremely slim. Another gripe is with program staff who don't appreciate that it can take from six months to a year to identify, solicit, and receive funding for new program work. These situations are more likely to exist in organizations where program staff distance themselves as much as possible from fundraising (see peeves 5 and 10).

5. Program staff who don't understand that they can be more involved in fundraising. Program staff are often interacting with the various constituencies of an organization, but many don't recognize that the people closest to — and most affected by — an organization's work are the most likely to support it financially. As a result, they miss opportunities to ask people to become members or donors of the organization. Moreover, it doesn't occur to them to bring names of potential prospects back to the development office. In these organizations, development and program remain very separate aspects — each functioning at less than optimum.

6. Board members who refuse to participate in fundraising (no surprise there), and board members who agree to take on a fundraising task, then don't follow through and don't report their failing. Though board members may understand that fundraising is a part of their job description, when it comes to taking specific action, they often drop the ball. One development director explained that she was sympathetic when board members talked to her about problems they had meeting their fundraising obligations. However, she couldn't understand why others found it so difficult to just tell her directly what was going on. Development staff appreciate having honest conversations about the challenges of asking for money, and they are open to problem solving with board members and others on the fundraising team.

When funders ask for reports or proposals on an impossible deadline, try offering a timeframe that makes sense.

7. Board members who are out of touch with the mission of the organization and don't feel real passion for the cause. People join boards for a variety of reasons, not all of them related to the mission of the organization: social contacts, returning a favor, a general desire to "do good" in the world. Development directors find it much harder to generate enthusiasm about asking for money among board members when the board members are not passionate about the work of the organization.

8. Board members (and staff) who are convinced that finding a celebrity to appear at a fundraising event is essential to its success. Many people don't understand that the cost of bringing a celebrity to an event can be enormous — including their fee (even if reduced), travel, accommodations, and so forth — and that without someone in your organization personally knowing a celebrity, it is extremely difficult to book one.

9. Non-fundraising staff and board members who use offensive or demeaning language about the process of raising money. One development director complained that her coworkers would suggest that she "work her magic," "schmooze the donors," "hit the donors up," or somehow "trick" the donors into supporting something they might otherwise have questions about if they knew what to ask. This perpetuates very old and problematic stereotypes about fundraising as a manipulative and deceitful game rather than a partnership between a community of people (staff, board, volunteers, donors, consumers, etc.) who fulfill the mission of the organization in a wide variety of ways.

10. The perception among other staff (or board) members that fundraising staff are the "money people." By separating fundraising from program in this way, these staff (and board) members imply that it takes a special (or weird) type of person to be involved in fundraising. This way of thinking leads to development staff being excluded from discussions about program priorities and direction. It also reinforces their isolation from program staff and reinforces program staff's lack of understanding that everyone involved in an organization is part of its fundraising success.

WHAT'S A DEVELOPMENT DIRECTOR TO DO?

You may have observed that these ten peeves actually fall into three overlapping categories: relations with donors and funders; lack of clarity about the role of development, particularly between the development director, the executive director, and other staff; and the performance of the board of directors. The solutions to these problems are not simple and are certainly easier said than done. Many of these topics have been discussed in various *Journal* articles over the years. What follows is a brief review of some of the solutions. (You'll find more by glancing through the *Journal's* archives on our website: www.grassrootsfundraising.org) The solutions also fall into three categories.

People Can't Know What You Don't Tell Them

While it may seem risky to question the deadlines presented by funders, there is no way for them to know if their request is unreasonable unless you tell them. When funders ask for reports or proposals on an impossible deadline, try offering a timeframe that makes sense. Perhaps you have had the experience of bringing your car to be repaired or ordering a new computer component and saying, "I need this by the end of the day," and being told "That's not possible." You didn't know your request was impossible — it is not your job to know that. It is the job of the merchant to try to accommodate you, but if they can't, to tell you that.

Similarly, when funders ask for unreasonable deadlines or donors ask for favors or want their money used in a way that is not useful, it's up to you to say why that's not possible and to offer an alternative plan. Believe it or not, the funder or donor might just say, "Thanks for explaining that to me." If you develop a reputation for being not only straightforward but also open to finding solutions that will meet everyone's needs, your donors and funders will more often than not be understanding and responsive.

Clarity About the Development Function

Development staff need to be clear about what their jobs are. Although this includes a written job description, that is not enough. Development is a function of the whole organization because it provides the money that keeps the whole organization afloat. Everyone has a role to play, with the development director being a combination of planner, manager, coach, and record keeper as well as one of many who carry out specific fundraising tasks. The executive director plays a key role in both understanding how the development function works in the organization and helping to build an organization-wide team to support that function.

While it may seem the most obvious of tasks, development is probably the most misunderstood set of jobs in the organization, which is why people often have rather absurd ideas about what is possible. One organization has had great success having brief reports at every staff meeting called, "What I wish everyone knew about my job." Each staff person describes elements of their job that they feel other staff don't quite understand or that they need help with. Keeping the conversation brief (five to ten minutes) forces staff to focus on one or two elements; asking for help often draws offers of help from other staff. In the case of the development function, many staff have expressed surprise at the number of ways they could be involved with fundraising that builds organically on activities they are already carrying out.

Getting Your Board to Raise Money

Finally, the challenges of getting boards to take on (and actually carry out) fundraising responsibilities are among the most daunting facing development staff. There are many articles and entire books written about building effective boards; here are just a few thoughts from my years of experience working on and providing training to boards of nonprofits:

> *Board members agree to things and then don't do them not because they are irresponsible and flaky, but because they either feel pressured to say yes, or they feel they "should" say yes.*

- ***Board members need to be encouraged to take on tasks that they are actually willing to do.*** Board members agree to things and then don't do them not because they are irresponsible and flaky, but because they either feel pressured to say yes, or they feel they "should" say yes but then don't really want to, so they say yes and don't perform. Further, board members need follow-up and encouragement. You can't expect someone to remember that they offered to do something at a board meeting without a follow-up call or e-mail. (See also *Grassroots Fundraising Journal,* "The Importance of Follow-Up," Volume 22, Number 1).
- ***If your organization's board has never been expected to raise money, they aren't likely to be thrilled to suddenly learn that it's one of their most important responsibilities.*** It may take several years (and some turnover in board membership) before you see the kind of participation you want.
- ***Don't expect every board member to raise money.*** Work with the most responsive ones, and encourage them to find ways to motivate others.
- ***Provide educational opportunities throughout the year.*** Bring in outside experts (including friends who work for other organizations) to help board members learn things such as how to ask for money and the benefits and challenges of special events (including that celebrities are only a good idea if you actually know one).

In the end, being happy in a development job requires being as honest as you can in all your communication, and working in an organization that you truly believe in, one that understands that fundraising is a team effort. GFJ

STEPHANIE ROTH IS THE EDITOR OF THE *GRASSROOTS FUNDRAISING JOURNAL.*

A Donor *Speaks Out*

BY NICK PRASSAS

It is common knowledge in the private sector that a new customer is exponentially more difficult and expensive to attract than it is to retain an existing one. And yet many charities focus on the acquisition of new donors, often at the neglect and expense of their existing donor base.

I have contributed to a number of charities over the years. I do not remember a single thank-you call, even for a larger gift. I do not know if my gifts made any difference. I always get a call during the next fundraising drive.

I develop no emotional stake in these charities, and over time I drift away. I have never received a call asking why I have stopped contributing. I am allowed to leave silently.

No single gift, no "transaction," should be the end of a relationship with a donor. Every charity wants an annuity of gifts from its donor base. And yet it is amazing how few development offices will take the time to provide a donor with a regular update. Not in the form of a mass mailing or an annual report, but a hand-written note on the donor's pet project. This is especially important with donors who make smaller, incremental gifts. If they are happy with you, they can always make another gift. This is true with larger planned gifts as well. Donors will often change the allocation of a charitable remainder trust if neglected by an existing beneficiary.

"THE SUCCESSFUL FUNDRAISER LISTENS TO NO AND FINDS THE REASON FOR YOU TO SAY YES."

BEYOND RELATIONSHIPS

I have a handicapped daughter. She has, almost since birth, participated in the activities of a local charity that caters to such children. The programs have greatly benefited my daughter's development, and our family has made many friends there over the years.

My wife and I absolutely adore the staff and program coordinators. In fact, we were first involved with a different, larger charity. When our daughter's instructors decided as a group to split and form a smaller charity, we gladly followed and patronized the new organization. Since its inception, we have been unfailingly satisfied and supportive.

"PROSPECTS DO NOT HAVE THE TIME OR EMOTIONAL ENERGY TO READ ALL THE LITERATURE OR SUPPORT EVERY CAUSE."

Recently, I received the standard solicitation letter from this charity. This time I actually read it. I was surprised to learn that the charity was financially desperate. It also occurred to me that I had not contributed more than a hundred dollars or so (beyond program fees) in any particular year.

The letter prompted me to reflect: I am philanthropically inclined. The charity is important to my family. I have the financial means to be far more generous. Well then, why not?

I never really thought about it. I am a middle-aged guy with three kids and all the expenses of living in a major city. Giving away money is easy not to think about. Especially when I have just paid the mortgage and the private school tuition.

IT'S MONEY

I am often fascinated at the charitable mindset regarding gift solicitation and expectations, particularly with a wealthy prospect targeted for a major gift. "Wealthy" is a relative term these days. A $500 gift is not insignificant for most people. The opportunity cost of a $5,000 gift is a family trip to Hawaii. $25,000 can otherwise purchase a car. $100,000 is a down payment for a house. I was once invited to a seminar entitled "Helping your Donor Identify Excess

Transactions and Relationships

There is a prominent charity that assists emotionally troubled children and their families in the San Francisco Bay Area. One year, during the Christmas holiday, a young Silicon Valley entrepreneur unexpectedly donated $25,000 to the group. The donor was a business colleague of a board member, a fellow entrepreneur who persuaded the donor to contribute a small part of his newly acquired wealth.

The executive director had an idea. She asked the donor to agree to two conditions: the entire $25,000 would be spent on Christmas presents, and the donor must dress as Santa and personally distribute the presents to the children.

On Christmas morning the donor watched the faces of the children as they opened the presents. He listened to their stories and understood the importance the charity had played in their lives. The following year, the donor contributed $100,000 and was asked to join the board of directors. He also introduced several other business colleagues to this charity.

The donor initially gave because he was asked. In fact, the board member called in a business chit with the donor to solicit the gift. I have been to house parties in which the host, in the most gracious manner possible, pointedly called in individual favors to raise money. There is no getting around it: A gift must usually be asked for.

The donor was also in a position to be generous because the timing was right. The donor's company had just gone public, and the donor was rich with founder's stock.

But the visceral impact of playing Santa and watching those kids open their presents transitioned a single financial transaction into an emotional relationship. The event compelled the donor to further his commitment of time, energy, and personal relationships with other potential donors.

and Unwanted Real Estate." I do not know anyone who needs help with the burden of excess and unwanted real estate.

Remember. It is a *gift*.

APATHY

Donors are numb from the bombardment of the same fundraising tactics used by every charity. Charitable events such as will preparation services, or estate and financial planning lectures, even without cost to those attending, are more frequently cancelled than held due to lack of interest. I personally open my mail over the trash can and throw out anything that appears to be direct mail.

Your donors are bored. Solicitation techniques must evolve. Passive techniques must also compete with all the other advertising noise in the market. Prospects do not have the time or emotional energy to read all the literature or support every cause. The best way to overcome apathy and marketplace noise is to *leverage your relationships with your donors.*

> *$100 is all they asked for. When the charity first got off the ground, all the participating families were asked to commit to $100 a year and a few household items for a garage sale. We were glad to help. Afterward, we received the standard solicitation letter, and we sent the standard $100.*
>
> *No one asked me personally. We saw the executive director and staff every week. I implicitly assumed that if they needed more money, they would have talked to me.*

ASK

I have worked on Wall Street for the past eighteen years. I have met many people who earn fantastic incomes and have amassed considerable fortunes. They all have one thing in common: They ask. They ask for money, they ask for business, they ask for whatever they want. If you say No, they regroup and ask again. These people have the ability to take social risks, the risk of you saying No. Because they know that your No is not personal. It may have nothing to do with them. Your No may be temporary. It may be based on a lack of understanding or education. Your No may signal the need for attention. You may demand a certain amount of courtship. That's OK. That's easy. There are a lot of reasons a person says No. The successful fundraiser listens to No and finds the reason for you to say Yes.

We all want to take the high road. We want people to come to us, to understand our needs. Really, we do not want to be embarrassed. We do not want to appear to be groveling for money, we do not want to pester our friends, and we do not want to be rejected. Fear of rejection is a powerful psychological impediment.

The high road does not work. Ask. If you do not ask, you will not get feedback. We will not know why one person gave, or more important, why another person did not give. Addressing the concerns of the non-giver may highlight a new fundraising course of action.

"YOU MAY HEAR A PATTERN OF WHY YOU ARE HEARING NO, SO THAT YOU CAN CHANGE YOUR APPROACH OR YOUR STYLE."

COLLECTING NO'S

Fundraising is a process, a dialog. It is not a single event. No is not necessarily Never.

Make a game of getting rejected. Collect No's. Set a goal; for example, to be rejected, to be told No, by 50 prospects in a particular week. Once you reach 50 No's, celebrate. Reward yourself. Because in persistence there is opportunity. If you are rejected 50 times, at some point you are bound to get a Yes. Or you will hear a pattern of why you are hearing No, so that you can change your approach or your style. Make the calls. Start the dialog.

Our family clearly has as much at stake in the success of the charity as do the staff and board members. I would not have been offended by a personal solicitation. On the contrary, I would have appreciated knowing about any financial problems.

HOW TO ASK

"EXHAUST THE POSSIBILITIES WITH THOSE PREDISPOSED TO SAY YES BEFORE YOU MOVE ON."

Asking for money does not mean becoming a fool. I am asked for money all the time. We all are. Telemarketers, other charities, family and friends. We say No all the time. How do we ask for money effectively? There's certainly no formula, but there are a few tricks.

Propositioning: People like to be propositioned. It's a form of attention. No one will hold it against you to ask. Just like you should not hold it against them for saying No.

Predisposition: Some people are more naturally inclined to say Yes to your proposition. Program service users, board members, board member family, friends, and business associates, and other community members aware of your mission. Some people are inclined to say No, or more likely, "I don't care." Exhaust the possibilities with those predisposed to say Yes before you move on.

Education: I have been sponsored by Children's Hospital as a guest lecturer on planned giving. Children's Hospital is extremely reliant on annual donations and contributions to their endowment fund. Subsequent to a lecture, I would meet with potential donors, who would tell me, "Children's Hospital is a wealthy organization. They don't need my money."

I did not understand. I did not know much about my daughter's charity beyond the programs. I did not know if they needed a new building or more programs or office supplies. If the charity communicated the goals and the needs of the organization more directly, I would have appreciated the need for a larger donation.

Donors may simply not know the obvious. They often must be told about the needs of the organization, and that their gift will make a difference.

Ask for what you want: The traditional solicitation letter asking for "anything you can send us" will not pay for a new $2 million recreational center this year.

Be specific: The donor cannot help you if they do not know what you want. You may get exactly what you ask for. If not, you'll hear the objections and can then tailor your solicitations. Or maybe amend your plans.

Occasionally, shut up: So many folks think that the key to fundraising is to go out and make a brilliant case for their charity. Often, the key is finding out what the donor wants to accomplish, and then explaining how a gift to your organization will help them achieve their goals. GFJ

NICK PRASSAS IS A REGISTERED INVESTMENT ADVISOR WITH WEALTH MANAGEMENT PARTNERS, LLC. HE SPECIALIZES IN TAX-EXEMPTING PLANNING, AND HAS LECTURED EXTENSIVELY ON PLANNED GIVING TECHNIQUES AND ENDOWMENT FUND STRATEGIES THROUGHOUT CALIFORNIA AND ARIZONA.

SOCIAL JUSTICE AGENDA FOR THE **NONPROFIT SECTOR:** *A CALL TO ACTION*

RICK COHEN
National Committee for Responsive Philanthropy

KIM KLEIN
Grassroots Fundraising Journal

FRANCES KUNREUTHER
Building Movement Project

JAN MASAOKA
CompassPoint Nonprofit Services

An energetic group of fifty people joined a breakfast meeting we led at the Independent Sector conference in November, 2003. The topic was how to make social justice the key agenda item for the nonprofit sector, and the discussion was animated. We began from our belief that the leadership of national organizations representing broad swaths of the nonprofit sector need to be encouraged to place social justice issues front and center of their programming, advocacy, and conferences. In addition, individual nonprofits of all types — from grassroots land trusts and PTAs to faith-based institutions and national think tanks — should begin to discuss how a vision of a just and equitable world informs their work. Although thousands of organizations work on social justice issues, the sector as a whole has not made social justice a key element of its own organizing and advocacy. At this breakfast meeting we were eager to get the conversation going.

A summary of our discussion of the key elements of a social justice agenda and a list of recommended activities follow. We hope you will be part of widening the circle of those who are interested in creating a vision for how the sector can address issues of equity, equality, fairness, and sustainability.

We encourage all nonprofits, both staffs and volunteers, to work with the following agenda to promote the conversation far and wide.

ELEMENTS OF A SOCIAL JUSTICE AGENDA

• Social justice work should be inclusive, not exclusive. To revive support for equity and justice, nonprofit groups need to work together across organizational boundaries and interest areas to develop a call for social justice and progressive social change.

• The nonprofit sector is not a replacement for government. Instead, the sector should advocate for government legislation and policies, especially tax policy, that systemically address the issues of equity, equality, fairness, and sustainability. The following actions are examples of how nonprofits can support responsive government:

– Increase people's direct participation in the democratic process
– Stand up for the rights of people to dissent
– Support policies that will address social justice concerns ranging from tax issues to affirmative action.
– Engage in a deeper analysis of issues and take positions based on the values of equity, equality, fairness, and sustainability
– To build a more just society, nonprofit groups must engage clients, constituents, staff, volunteers, and funders in conversations about their values, beliefs, and actions. These conversations are essential for developing an inclusive vision for a future that includes global social justice and sustainability.
– Reclaiming the centrality of social justice work in the nonprofit sector requires an investment of time and resources, whether technology, media campaigns, grassroots action, or a host of other activities. Funders should support each other in making this type of investment.

BEGINNING THE CONVERSATION

The following questions may be useful as a place to start conversation about social justice and equity:

• How do we see our organization working toward a more just world? Is this an important part of how we conceptualize our work?

• How is our answer to the previous question reflected in our documents, meetings, reports, proposals, and other activities?

• What kind of larger thing (organization, movement, audio conference, study group — feel free to be creative here) would we like to be part of that would inspire us to keep doing our work?

• What do we most need, besides funding and fundraising help, to move this agenda forward?

• What would we like to see the writers of this document do?

NEXT STEPS

The questions above offer a place to begin. We invite you to expand the conversation:

• Involve your staff, constituents, board members, and other volunteers in a discussion about your organization's role in building democracy and engaging a social justice agenda.

• Convene people in your community to talk about how to develop and act on a social justice agenda for nonprofit groups to support.

• Hold or attend meetings at conferences, professional gatherings, and other places where groups gather to discuss how groups can develop and support social justice work and promote democratic practices.

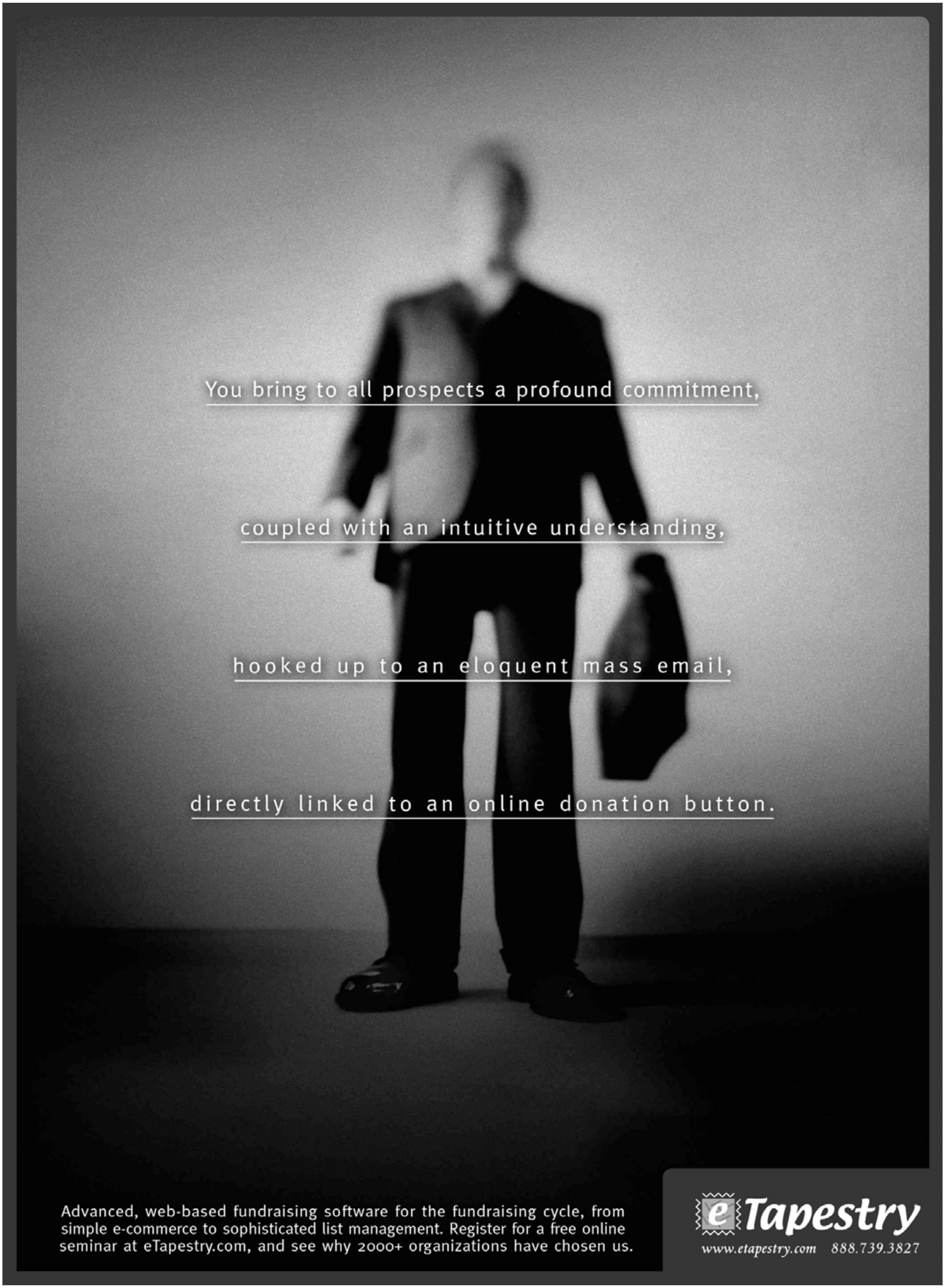
• Expect that answers will be diverse, and that there are no "correct" answers. Note that people may answer these questions differently depending on their role in the organization, the length of time they have worked there or in the nonprofit sector, and their own personal background.

• Develop a message on equity, equality, fairness, and sustainability that can be adopted by nonprofit organizations and associations.

• Find out what others are doing and let us know. If you would like any help in facilitating a conversation, please contact us.

We are very interested in the content of these conversations, so if you are willing to share a summary or a tape recording or a report of your conversation and what you learned from doing it, please send it to Frances Kunreuther at fkunreuther@demos-usa.org.

Thank you for all you do to make the world a better place. GFJ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