FUNDRAISING IDEAS THAT WORK!

Grassroots Fundraising Journal

VOLUME 23 ▪ NUMBER 4
JULY/AUGUST 2004

FEATURING:

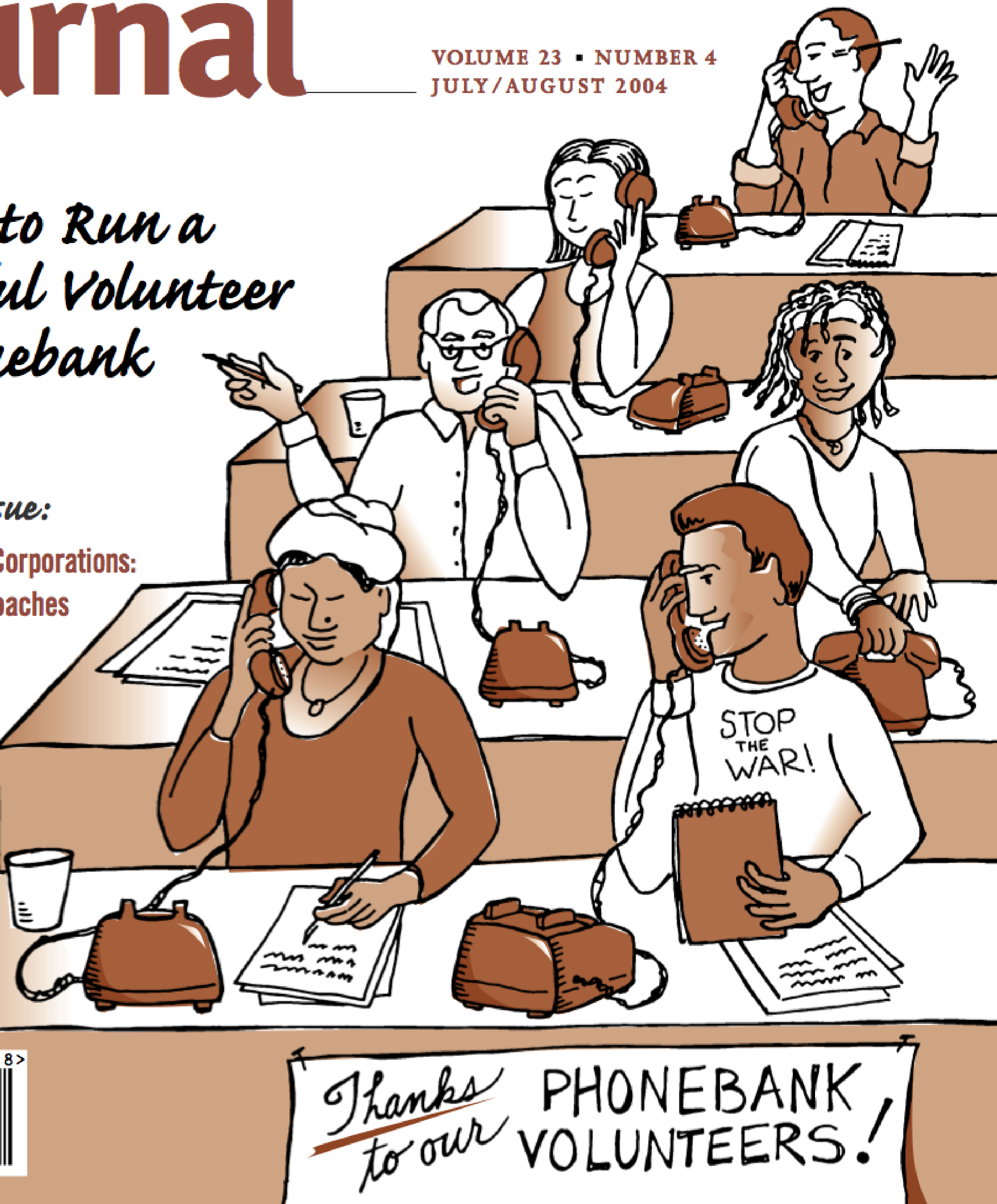
How to Run a Successful Volunteer Phonebank

By Dennis Quirin

Also in this Issue:

Fundraising from Corporations: Old & New Approaches

The Effect of an Election on Fundraising



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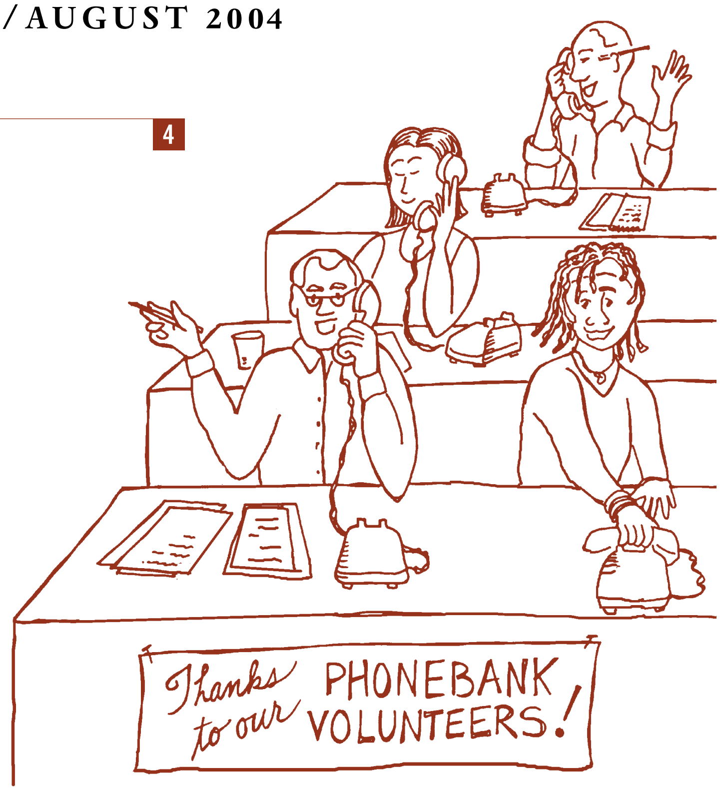
Contents

VOLUME 23 / NUMBER 4 ■ JULY / AUGUST 2004



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LETTER FROM THE PUBLISHER

KIM KLEIN

As long time readers know, we at the *Journal* are committed to being as environmentally sensitive as possible. One of our main concerns in this area has been the paper the *Journal* is printed on. In the early 1980s, we were one of the first magazines to use recycled paper. We paid much more for it, but the price of not using it seemed way too high. More recently, we have been printing on tree-free kenaf, but unfortunately, the kenaf mill has shut down. There is also some controversy about whether it is better to use tree-free paper or recycled paper. After much discussion, we have decided, starting with this issue of the *Journal*, to use chlorine-free paper that is 50% recycled, mostly with post-consumer waste. The 50% that is not recycled is from tree farms here in the United States. If you are interested in the politics of paper, we recommend an excellent article, "The Paper Chase," in the May/June 2004 issue of *E: The Environmental Magazine* (www.emagazine.com). *E's* publisher, Doug Moss, believes it is only a matter of time until magazines are all on-line, with no paper used at all. I'd like to hear from you (by e-mail to kim@grassrootsfundraising.org or old-fashioned letter) if you have an opinion about whether the *Journal* should go virtual or not.

On our chlorine-free pages of this issue, you can read three great articles. The lead, by Dennis Quirin, Development Director of Californians for Justice, describes how to organize and carry out a successful phonebank, especially one using volunteer callers. Dennis shows how you can educate, reach out, and raise money even in the era of "Do Not Call." Richard Male discusses the many ways to raise money from corporations, several of which were new to me. You will likely remember Richard's excellent article on raising money from religious institutions in an earlier *Journal*. The third article is a brief look at raising money during a heated and too-close-to-call election written by yours truly. I write from my perspective as a fundraising survivor of many other election cycles, starting with the first one I voted in, when I was sure George McGovern would be elected. (Not for the first time, I was wrong; Nixon became president instead.)

Finally, if you have friends and colleagues who are always "borrowing" your copy of the *Journal*, or madly photocopying articles, please tell them that we are having an incredible July promo. For the month of July only, a new subscription to the *Journal* will cost only $25 (normally $32) and for even more savings, a two-year subscription will be only $34 (normally $58). Order on our website, www.grassrootsfundraising.org, or call our toll free number: 888-458-8588. Tell your friends!

I hope you enjoy the rest of the summer.

How to Run a Successful Volunteer Phonebank

BY DENNIS QUIRIN

AUTHOR'S NOTE: This article is is based on materials developed by Blake Ulveling, former development director of Californians for Justice.

When I was in high school, a good friend told me about a "great job" she had heard about. You could work for a company that sold things over the phone and, if you were good, you could make a lot of money. My friend went in for the "interview" and they hired her on the spot. She started the next day; halfway through the day she called me to say she had quit. This "great job" was basically a scam where high school kids were calling numbers out of a phone book and selling "trash bags made by handicapped children." My friend's training had consisted of the instruction that you only end the call when the target on the other end either orders the bags or hangs up on you. With that introduction, I was a little wary of the idea of telemarketing, or phonebanking, for a while to come.

Eventually, I too got a job as a telemarketer, but for a company that stressed being polite on the phone and not doing "hard sells," primarily because we called people who actually wanted the product. I learned some basics about phone voice and what a good script looks like, but it wasn't until years later that I understood what a good phonebanking experience was.

Phonebanking involves a group of people coming together to phone a large number of people for a specific reason at the same time. The fundamental component of a phonebank is having a group of people making calls. If you only have a couple of people phoning, it's not a phonebank.

Phonebanking is a much different experience than telemarketing from home, and when done as fundraising for a nonprofit, it's more successful. Why? The first and most obvious reason is that the more people you have calling, the more people you'll reach. If you are trying to raise $5,000 from a list of 500 people, it would take one person about 17 hours of phoning to call them all. With 10 people phoning, you could get through the list in an evening. Another obvious reason is that a well-run phonebank is a great way to deepen your connection with the people making the calls, whether paid or volunteers. When someone comes in and raises money, they are likely to feel more connected to your group.

Over the last few years, I've participated in and run many phonebanks for nonprofits for many different purposes. I've realized that it doesn't matter if you're calling to raise money, get people to an event, or inform them about some topic — there are a few simple steps to make any phonebank successful.

GETTING STARTED: THE BASICS

A successful phonebank needs three basic elements: a good list, the right callers, and phones.

1. A Good List

Who are you calling, and why? You can have the best phoners, the most delicious food, the nicest office space, and the most compelling reason to be calling — but if you're calling the wrong set of people or telling the right people the wrong things, you'll be out of luck.

Try to separate your list into categories that relate to the reason you're calling. For example, if you are making calls for people to renew their membership, you might want to separate your list by amounts that people have given in the past. If you have a standard membership amount, separate your list by how recent the gifts are — in the past year, more than one year since last gift, more than two years since last gift, and so on. There are a few reasons for doing it this way: 1) you want to make sure you reach your priority people first; 2) your phone script or focus of the conversation may be different depending on whom you're calling; 3) you might want certain people to call a certain list. For example, you might want only your best-trained volunteers to call the list of people who gave the most money last year.

2. The Right Callers

Should you pay phoners or recruit volunteers? This article is about organizing a volunteer phone bank. It's worth looking at the pros and cons of using volunteers versus paid phoners. Generally, if a person is going to take time out of their schedule to make phone calls for your group, they probably really believe in what the group is doing. That kind of connection and commitment comes through over the phone and is often contagious. Another advantage of using volunteers is that it gives people who want to get involved a chance to participate in your group. If they like their experience, there is a greater chance they'll volunteer again. The final big advantage of volunteers is that they are volunteers. Your cost is only the cost of getting them and, usually, feeding them.

If you pay people to do your phoning, there are different advantages. If an organization seeks callers from among the constituents they serve or people who already have some connection to their group, offering a short-term job can be a nice way to provide committed people with a little money, at the same time reinforcing their commitment. Paid phoners may also have experience. People who have phoned before will need less training and have a higher rate of calls, contacts, and commitments from those being called. This could be worth a lot more than what it costs to pay people.

The third clear benefit to paying people is that you are almost guaranteed to have many more people show up and show up regularly for phonebanking without the work on your end to rustle up volunteers and then remind them to show up. One organization I know of "recruited" almost 10 times as many paid phoners as they had usually gotten as volunteers. On the other hand, there was a downside: though many more calls were made, the organization felt the quality of work was noticeably lower because the phoners were less committed to the cause.

Phone Tips for Phonebankers

- ✓ Be friendly and enthusiastic
- ✓ Adapt the script into your own words — work on sounding conversational
- ✓ Answer people's questions
- ✓ If you don't know an answer, be honest and tell them you will have a staff member call them back (and make a note on the phone list)
- ✓ Be clear and direct
- ✓ Once you make the ask, be silent (let them think about it and answer, don't fill the space with nervous chatter)
- ✓ Practice makes perfect!

3. Phones and a Place to Make Calls

Once you've figured out who you're calling, why you're calling them, and if you're paying the people making the calls, you need to have phones for people to call on and a place to make the calls. If phoning is a regular part of what you do at your group, either for money, events, or just as a part of your regular program, you probably won't have a hard time figuring out where people will call from. If, however, you don't have a few open phone lines at your location, here are some ways to get around that problem.

Do you work in an office with multiple phone lines?

Ask people if you can use the phone on their desks. Most phonebanks happen after regular work hours, from 5:00 or 6:00 – 9:00 PM, when most people have left the office. Your job is to get commitments for as many phones as you'll need and make sure to remind everyone whose desk you're borrowing on the day before and the day of the phonebank to clear their desk for the phonebanker's use.

Is your location in a building with other groups that would let you borrow their phones and phone lines?

Many organizations are willing to let a supervised group of people use their phones. Just make sure you ask one or two weeks ahead of time (or however much time you think they will need) and make all the arrangements clear: which desks and which phone lines you can use, and how you will reimburse them for the calls, if needed.

Can you find an organization in your community (not necessarily in your building) that will let you use their phones?

If you have a relationship with a real estate office, a union, or other organization with lots of phones, look into borrowing their offices for an evening phonebank and make the same arrangements as above.

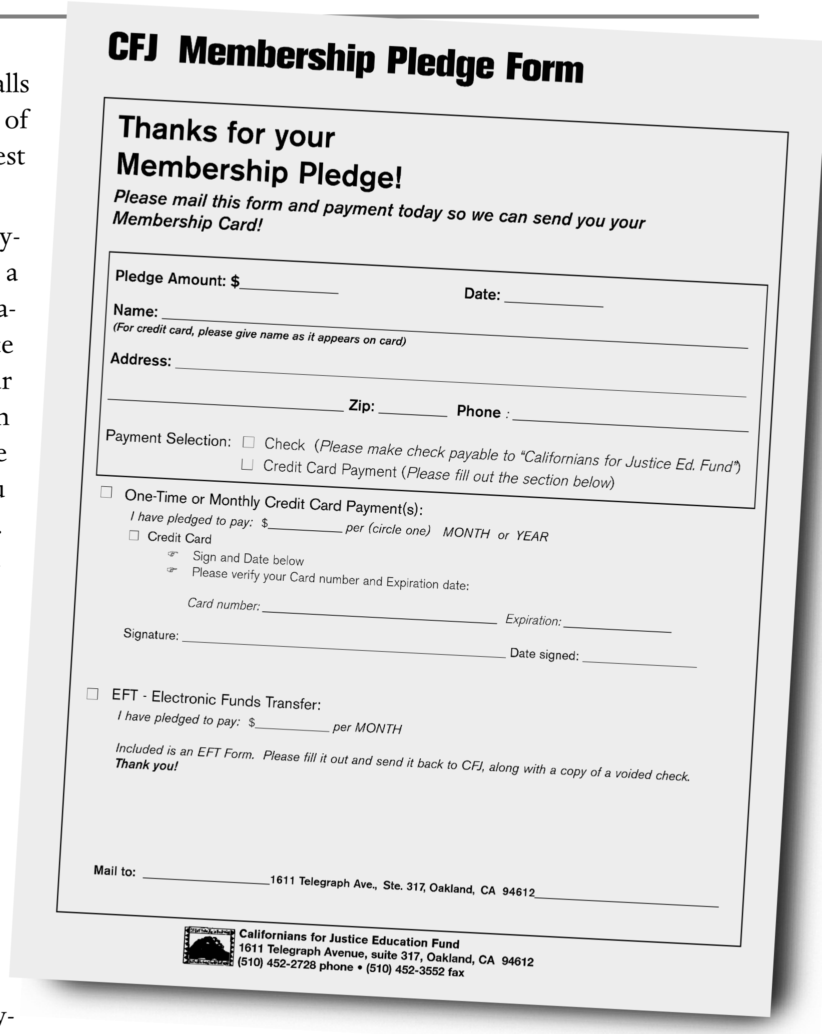
Other ways to create more phones:

- Bring in extra phones for phone jacks that are not being used or for fax machine jacks that could be unplugged for the duration of the phonebanking.
- Use the phone part of fax machines.
- Use cell phones. Ask your volunteers who have cell phones to bring them the night of the phonebank. Or see if you can borrow some cell phones from supporters. Using cell phones works best if you are making calls on the weekend — Saturday mid-morning or Sunday early

evenings are the best times to make weekend calls — because many cell phone services are free of charge for weekend calling, and those are the best times to reach people on the weekend.

- If your organization can afford it, think about buying pay-per-minute phones. You can pick up a phone and as many minutes as you'll need relatively cheaply, and if you buy a few phones at once you might get a deal. Investigate where in your area you can find pre-paid phones. Often you can purchase them from phone dealers like T-mobile or Verizon, or stores like 7-11. If you think you might need them again it's a good investment. My organization recently purchased cell phones for $25 each with 200 minutes on the phone.
- If you just don't have enough phones for all of the people who come, think of other ways to use people's time. Some people could be working on the paperwork tracking how the phonebank is going or on correspondence to people who make a pledge or charge a donation. You can rotate people as phoners need breaks. Phone shifts during the phonebank can help to create a team atmosphere.

Some groups have tried virtual phonebanking — having people phone from their homes, with everyone phoning at the same time and checking in with a coordinator who is available to answer questions, get tallies, and so on. This option is not so worthwhile; it takes a lot of work to set up and even the most committed and genuine volunteer can get distracted when they are calling from home. Even if you're paying people, you're almost guaranteed to have less impressive results. Too many things can come up when you're at home.


CFJ Membership Pledge Form

Thanks for your Membership Pledge!

Please mail this form and payment today so we can send you your Membership Card!

Pledge Amount: $__________ Date: __________

Name: ______________________________
(For credit card, please give name as it appears on card)

Address: ______________________________

______________________ Zip: ______ Phone : ______________

Payment Selection: ☐ Check (*Please make check payable to "Californians for Justice Ed. Fund"*)
☐ Credit Card Payment (*Please fill out the section below*)

☐ One-Time or Monthly Credit Card Payment(s):
I have pledged to pay: $__________ *per (circle one) MONTH or YEAR*
☐ Credit Card
☞ Sign and Date below
☞ Please verify your Card number and Expiration date:
Card number: ______________________ *Expiration:* __________
Signature: ______________________ Date signed: __________

☐ EFT - Electronic Funds Transfer:
I have pledged to pay: $__________ *per MONTH*
Included is an EFT Form. Please fill it out and send it back to CFJ, along with a copy of a voided check.
Thank you!

Mail to: ______________1611 Telegraph Ave., Ste. 317, Oakland, CA 94612______________

Californians for Justice Education Fund
1611 Telegraph Avenue, suite 317, Oakland, CA 94612
(510) 452-2728 phone • (510) 452-3552 fax

MATERIALS

A phonebank will be much easier and more successful if you're prepared ahead of time with the materials you'll need: a call list, a tally sheet, and a script.

1. The Call List

A good list is more then just names and phone numbers. It's best if you have some sort of information about the people you're calling, either from their donor records or from having called them before. It can be as basic as if and when they've given money before and how much, or as detailed as how they got involved with your organization. Any information you can pass on to the phoners could be helpful for their calls.

A good list will also have a space for notes. Part of the benefit of a phonebank is to be able to update information you have about the people in your database. New or wrong numbers are important to note, along with any relevant information you might learn during a call with a prospective donor. It's also important to be able to write notes from the call right on the list, such as "No answer," "Left message," or "Call back Tuesday." These notes will inform the next person who calls whether or not you had some contact with the person.

2. The Tally Sheet

It is very useful to have a tally sheet or some other way of recording individual and team results. An individual's tally sheet should include the phoner's name, the date, and the start and stop time of the call. It's also good to have places to record totals — how many calls were made over how much time, how many people were actually spoken with, how many said yes or no, and the amounts of money raised (and from whom).

The overall tally sheet for the whole phonebank will include a summary of each individual's tally sheet. The overall tally is important because it lets you monitor how your phonebank is really doing. If at the end of the day your results are drastically different than what you expected, try to figure out what's working and what's not, including feedback from your phoners.

2004 Membership Drive Phone Script

INTRO

Hi, my name is ________, and I'm a volunteer with Californians for Justice. May I speak with ________?

Do you have a couple of minutes? (pause for an answer)

Thanks. I'm calling tonight as part of a membership renewal drive for CFJ, and to give you an update on our work.

First, thanks for supporting CFJ. *How long have you been involved in CFJ?* (pause, let them answer)

(Acknowledge their work, etc, then say:) *Have you received our most recent newsletter?*

BACKGROUND

Our end-of-the-year newsletter is about the upcoming 50th anniversary of Brown vs. the Board of Education, which ended school segregation.

- As you know, 50 years after this ruling, CFJ is still struggling for equal opportunity to a quality education for all students in California.
- In the past year we made great progress towards equal opportunity in our campaign for Quality Education by delaying the High School Exit Exam for 2 years and defeating Ward Connerly's initiative Prop 54.
- This coming year, our work will be focused on building on our recent victories and working together with allies and activists across the state to win real changes in public education.

CROSSROADS

We cannot do this work without the continued support and involvement of dues-paying CFJ members like you.

CRUNCH

If they gave $100 or less in past 3 years:	If they gave over $100:
Will you renew your CFJ Membership at $100 for 2004? (BE SILENT!)	*Will you renew your membership at ($200- $250)* (BE SILENT!)

YES – PAYMENT DETAILS

If YES *(pull out Membership Pledge Form):*

Great! We REALLY appreciate your continued commitment!

There are 3 different ways you can pay.

1. One option for payment is to have $____ deducted from your checking account, savings account, or credit card each month. Would you be interested in automatic monthly payments?
2. You can pay your membership with a one-time credit card payment
3. You can pay by Check or Money order. (We will send you a pledge form in the mail that should reach you in a couple of days.)

(MAKE SURE TO VERIFY THEIR MAILING ADDRESS!!)

Thanks again for your support!

NO- QUESTIONS

If NO *(find out why):*

- **It's too much money:**
  - 1st • Can they pay half now and half next month
  - 2nd • Can they go on EFT
  - 3rd • If no to both of the above then offer: $24 reduced rate
- **If they're not sure:**
  - "Is there anything I can tell you about CFJ to help make your decision?"
  - "CFJ is counting on contributions like yours so we can continue to do our work."
- **They say I don't think so:**
  - Follow the same steps as "not sure"

Here's a brief outline for a phone script.

Introductions

- Introduce yourself.
- Introduce your group.

Reason for the call

- Tell them why you're calling: "I'm calling to let you know about our current campaign and to ask you to renew your membership" Or "We are following up on an invitation we sent you to our campaign kick-off party."

Engage the prospect

- Say briefly what your relationship with the organization is ("I've been involved with this group for the last two years because I really believe in what they're trying to accomplish").
- Find out who they are, what they care about. ("How did you first find out about name of the organization?")
- What is their involvement in your organization? ("How long have you been involved with name of the organization?")
- Say what the organization is up to:
  - – What you are working on now.
  - – What you will be doing soon.

The Ask

- Ask for a specific amount of money.
- Say what the money is going to be used for.
- Wait for an answer. Let them respond.

Wrap up

- Answer any questions.
- Describe the process for them giving their donation.
- Thank them for their time and, if appropriate, their donation.

The most important thing is to engage the prospect. You are calling people you want to cultivate as donors. Make the call as personal as you can. Get to know who they are, why they believe in your organization or cause. Be clear and read cues. If a person doesn't want to talk,

3. The Phone Script

The best phone script is a simple one. Think of the script as an outline of where you want the conversation to go. People should try not to read the script to the listener. Let your callers know that it's okay to read catch phrases or succinct points from the script, but once they start to read whole chunks of the script, the person on the other end will start tuning you out.

The goal is to sound as genuine as possible. I always try to talk to the person on the other end as if I were talking to a friend I felt comfortable with. That doesn't mean being too casual. Callers should still sound professional without sounding too nervous. It's also important to remember that the voice on the other end of the phone is a person too.

don't force them to. Also, if a person wants to talk a lot, be clear how much time you want to spend on a call. Its OK to say, "Its been great talking with you, but I should get going so we can reach more people tonight." If you're polite, most people will understand.

After the call, make some notes on the call list about the outcome of the call and what you learned from the person about their involvement and interest in your organization. This will help to continue to build a relationship with them in the future.

PLANNING AND RUNNING A SUCCESSFUL PHONEBANK

Now that you have your materials together, its time to set up the actual event. Here are steps for what to do before the phonebank, at the phonebank, and after the phonebank that you can follow to prepare for the phonebank and create a successful and great experience for everyone.

Ahead of Time

Planning

- Decide how much money you want to raise.
- Figure out how many people you will need to call to reach that goal. Here's what you can expect by way of response:
  - One person will average about 30 calls per hour.
  - She or he will reach about 10 of those people.
  - Two to five of those people are likely to say yes to giving a donation.
- Decide how many phoners you will need to make that number of calls.
- Calling should take place between 6:00 and 9:00 PM.
- Choose a date, place and time, including how many nights of phoning.
- Get your materials together.

Recruiting phoners

- Schedule volunteers two weeks in advance. Schedule more people on a single night, rather than few people over many nights. (It helps to create excitement to have at least three or four people in it together.)
- Make reminder calls to them one or two days in advance.
- Build it up — make the evening sound like an important event.

Logistics

- Secure as many phones as you'll need on the nights you'll need them.
- Buy or order food or snacks for the night.
- Create any motivational items, like a group "thermometer," to measure the success of the night.
- Figure out any other logistics, such as rides or childcare for phoners.

Materials

- Create a packet for each phoner that includes:
  - Script
  - Call tally sheet
  - Fact sheet (how to answer some common questions)
  - Pledge forms
  - A call list of names, addresses, and phone numbers. Make sure the call list has room for the phoner to write notes about each call. (The list could also include giving history, notes from previous phonebankers or helpful info about the person.)

The Night of the Event

Do a short training at the beginning of the phonebank (about 15 minutes) that includes:

- An icebreaker to help volunteers feel comfortable with each other.
- A description of who you are calling and why as well as a numerical goal for the evening. (Make this goal exciting, but doable.)
- Instructions on how to read the call list and how to fill out the paperwork.
- Review of the script.
- Role plays: have people pair off and spend five or ten minutes each playing the caller.

Provide food

Food doesn't have to be elaborate, but some snacks and drinks will give the volunteers a sense of being taken care of. If some volunteers will be coming right from work, consider providing salads or sandwiches they can eat during the orientation.

Make it fun

- Make a game out of it, for example:
  - When someone gets a yes, celebrate it, fill up a progress thermometer.
  - Give an award to the person who got the rudest no, the most yeses, and so on.
- Briefly check in with people every half-hour or so to see how it's going, provide pep talks, problem solve about scenarios that arose, and keep up people's momentum. Check-ins can be as brief as asking, "Is everything going all right?" The goal is to make them as brief as possible so you don't get people out of their rhythm.

At the end of the calls, debrief the evening

- Have people go around and say how it went for them, or
- Check in with people before they leave to find out what their experience was like.
- Give people a chance to share stories briefly about particularly compelling or rude calls.
- Use this as an opportunity to make everyone feel like the night was a big success:
  - If you met the evening goal — celebrate it!
  - If you didn't meet the goal — find something positive to highlight in addition to lessons learned for the future.
- If there will be future nights of phonebanking, have people sign up for more shifts or other organizational activities.

After the phonebanking

- Make copies of all pledge forms.
- Mail a copy of each pledge form and send it to the donor with a short note and a reply envelope.
- Make follow-up calls two weeks later to those who haven't fulfilled their pledge.
- Send thank-you notes to volunteers within a week of the phonebanking thanking them for their time and giving them a brief report on the results of the evening.

It is quite possible to raise a lot of money from a large and well-thought-through phonebank. Many large institutions raise a significant portion of their budgets from periodic pledge drives and phonebanks. Whether you're phoning for a large institution or a small organization, one thing is true: a little bit of planning and preparation will go a long way toward reaching your goals and having a successful phonebank. GFJ

DENNIS QUIRIN IS A DEVELOPMENT OFFICER AT CALIFORNIANS FOR JUSTICE EDUCATION FUND.

Fundraising from Corporations: *Old and New Approaches*

BY RICHARD I. MALE

While corporations provide the smallest percentage of money given to nonprofits from the private sector (6 percent in 2002, compared to 11 percent given by foundations and 84 percent by individuals), there have been dramatic (some would say radical) changes in corporate giving over the past 10 to 15 years. These changes may open the door to your organization tapping into corporate support in the near future. And remember, while 6 percent is small, that's 6 percent of $240 billion — or $14.4 billion dollars flowing from corporations to nonprofits.

According to the Internal Revenue Service, corporations are allowed to give up to 10 percent of their pre-tax income in tax-deductible donations. However, most large businesses fall far short of that maximum, giving away only about 1 percent of their pre-tax dollars. Unless corporations have a separately endowed foundation, giving is very closely tied to profits, and if a corporation does not make a profit one year, giving may drop sharply the next.

CORPORATE FOUNDATIONS

When a corporation has a separate foundation, their giving is less determined by company earnings and more determined, as with other foundations, by the foundation's earnings on their investments. Corporate foundations have their own staff who receive proposals and interview potential grantees. Almost all of the Fortune 500 companies have corporate foundations. You would research and approach them as you would any other foundation. First, see if the corporate foundation has an economic interest in your community, then make the initial approach.

One strategy of approach is simply to call up the foundation and discuss your organization. You can also send them a two-page letter of inquiry spelling out the history, background, and impact of your organization and why you think a potential partnership is a good idea. Ask for an interview at the end of your letter. When you are approaching a national corporation whose headquarters are not based in your city — such as Prudential, JC Penny Company, Wells Fargo Bank, Eli Lilly, Sears, Ralston Purina, or others — try to get the support of the company executives at your local branch or of a local store manager or someone else of that stature.

Corporate foundations usually make out their budgets in the fall for the next year, so make sure you approach them during the spring and summer months. The largest dollars of corporate foundations are held in the headquarter cities, while the local branches have relatively small amounts of money (usually $2,500–$5,000) for philanthropic giving.

Aside from this familiar foundation approach, the majority of nonprofits, unfortunately, don't know how to ask corporations for money from other areas of the corporate pot. Approaching them the same way you would approach foundations and government agencies is a mistake. Rather than proposing a philanthropic relationship, approaching a corporation involves offering a strategic business partnership. Unlike its foundation, which is mostly interested in giving out "philanthropic dollars," the corporation is interested in giving out "bottom-line" dollars. To raise money from a corporation, then, you need to think like one.

To raise money from a corporation, you need to think like one.

THINKING LIKE A CORPORATION

A corporation has three doors for nonprofits to enter when they seek assistance.

The "Membership" door. This is a very small door around the side of the building where the corporation sets aside a small amount of money to join chambers of commerce, trade associations, and civic groups such as the Lions and Rotary clubs. Corporate membership contributions are generally in the $100–$500 range. If you have a membership program or can develop a corporate category within an overall donor program, this is a good way to get on the corporate radar screen. You can approach a corporation for a membership in your organization by writing them a letter or making personal contact. If one of your board members or volunteers is an employee at AT&T, Bank of America, or another corporation, you may want to ask them to set up a meeting with someone in the corporation or to endorse your request. The value of these dollars is that the company can respond quickly to a business membership request and, if they join, you have a "foot in the door."

Companies of all sizes are excellent places to obtain donated office equipment and food and supplies, as well as volunteers and technical experts.

Toward the front of the building is the "Philanthropic" entrance. This is the traditional door used by the majority of nonprofit organizations. Corporate grants are usually in the $1,000–$10,000 range and are given on a year-to-year basis for specific projects. The corporate giving staff is frequently housed in the public relations department (a tip-off to the next door for funding) and their goal is to spread the limited philanthropic dollars over a large number of organizations. Corporations like their employees to be involved in the giving process, so a corporate person on your board or one of your committees can be instrumental in securing continued or long-term funding for your group. The approach to this philanthropic arm of the corporation is similar to the approach to a foundation described above.

If the corporation you're targeting does not have a business presence in your community, the chances of your group receiving much philanthropic support are minimal. However, be on the lookout for corporations that will be moving to your area or that are planning to buy out an existing company. They usually want some quick visibility, so this could be an excellent opportunity to get your organization's message to them before they arrive and you're facing competition from other groups. The health care, retail, and banking industries have prime examples of companies attempting to build a corporate identity and community acceptance as quickly as possible.

It might be a good idea to join your local Chamber of Commerce or other business group, because they know when corporations are moving into your community. At a minimum, read the business sections of the newspaper or your local business journal. Look for industries and companies that are in a growth or a merger phase and see if you could help them introduce themselves into your community.

Don't forget that companies of all sizes are also excellent places to obtain donated office equipment, food, and supplies, as well as volunteers and technical experts. Small local businesses are often overlooked, but when every dollar counts, explore your options for free food for board meetings or events, printing and copying services, or flowers for your special event. These are all part of a business's philanthropic giving.

Right at the front of the building is the "Marketing" entrance. Corporations spend billions of dollars every year to market their goods and services. If your nonprofit can assist the company in enhancing its image, reaching potential customers, or reinforcing existing customer relationships, they will want to work with you. And besides, it's good business for corporations to be able to deduct the marketing dollars they spend through your organization. This is where the greatest growth in corporate giving is appearing; it will likely continue to increase dramatically.

The rest of this article focuses on how to develop this kind of "cause-related marketing" partnership with a corporation.

CAUSE-RELATED MARKETING

During the past decade, the majority of corporate dollars going to nonprofit groups has come from corporations' marketing rather than their philanthropic budgets. A major avenue is cause-related marketing (CRM), in which the relationship moves from that of "grantor-grantee" to one in which projects are set up to benefit both the company and the nonprofit. In the 1980s, an early national cause-related marketing campaign was established between American Express and the group managing restoration of the Statue of Liberty. Then, from 1993 to 1996, the group Share Our Strength teamed with American Express to create the Charge Against Hunger campaign to raise money for and create awareness of the problem of hunger in America.

What are companies looking to gain from CRM? Most companies are usually hoping that they will be seen in a new and positive light:

- As a friendly and caring corporate citizen responding to critical community needs (for example, corporations are becoming heavily involved in high-risk youth and education issues)
- As a protector of the environment ("dolphin-friendly" tuna and "save the rain forest" products are overflowing from supermarket shelves)
- As a company that treats its employees well (day care and elder care concerns are moving to the top of many corporate agendas)

What does it take for a nonprofit to raise money through cause-related marketing? A bit of chutzpah, a basic understanding of what the corporation and your nonprofit are looking for, some confidence, and a real desire to move the relationship into a true partnership. Put yourself inside the mind of the marketing director who is asking, "What can this organization do for me?" If you can figure out a way to help the company get in front of customers while generating resources for your nonprofit, you have a win-win situation.

Where to Start

Pull together a group of your stakeholders for a creative session and let the ideas flow freely. Think of all the corporations in your area and all the possible projects you might work on together. Here are some ideas of how a corporation might join you:

- ***Sponsoring a publication or service that meets the needs of your constituents and the corporation's customers.*** A traffic safety group might obtain corporate sponsorship from an insurance company.
- ***Purchasing a needed service for the corporation's employees.*** A counseling center might negotiate an Employee Assistance Program contract to provide counseling services for the corporation's employees.
- ***Using your services to help comply with the law.*** A disability group might market its "accessibility audit" services.
- ***Providing a site for visibility.*** Your arts or human service group might get its message across to the public in a well-traveled corporate thoroughfare by obtaining sponsorship for a display in a corporate lobby.
- ***Sharing profits from sales.*** A supermarket, restaurant, or locally owned bookstore might devote a certain percentage of its sales to your group on a given day. Then do your part to increase sales by mobilizing your supporters to shop in that store.

When you have a number of possibilities, you can begin to narrow your focus and identify one or two corporations to approach with your idea.

It's best to start with companies with which you already have a relationship or where you already know someone who can introduce you to a senior executive. Your vendors might be a logical first place to start because you are already buying health insurance, office supplies, recreational equipment, banking services from them. Consider the bank where you have your account or the company at which a number of your volunteers are employed. You may even decide to consider companies where you're planning to become a customer. If you decide to shift your bank account, for example, use the opportunity to negotiate for a new line of credit or a reduction in service charges.

It's best to start with companies with which you already have a relationship or where you already know someone who can introduce you to a senior executive.

When you've identified a likely corporate prospect, find out everything you can about them. Request a copy of their annual report and corporate giving policies, review the information in your state's *Grants Guide*, check out the corporation's website (if it has one), and talk with other people in the community who have had philanthropic or business dealings with the company.

Developing the Partnership

The next step is to contact the CEO, the marketing director, or any person in the company who is accessible to you, and discuss the possibility of developing a partnership. Remember that the company is looking for visibility, credibility, and new customers. For example, a bank may be interested in marketing its services to the African-American community in your neighborhood. If you have a lot of credibility with people in that community through the services you provide, you might ask the bank to sponsor a neighborhood fair, special event or other activity.

Create what's called a gift acceptance policy. Under what conditions will you take or not take money from a corporation?

This is a good start, but it provides a finite sum of

Changes in Corporate Philanthropy

More than any other type of philanthropy, corporate giving has undergone major changes in the last decade. Some regret the shift away from "pure philanthropy" toward a more bottom-line approach, but in many ways these changes present exciting new opportunities for grant seekers (as long as they are aware of the inherent risk involved).

In addition to the shift from philanthropy to marketing in corporations' relationships with nonprofits discussed in this article, here are some other highlights of these changes:

EMPLOYEE-DRIVEN PHILANTHROPY

Gifts from companies were once the province of the CEO and often represented his family's interest in charitable causes. While the CEO still has a voice in the giving program, today's corporate philanthropy is mostly driven by employee interest and involvement in the local community. Many corporations recognize that their most valuable assets are their employees, and they will typically support organizations their employees are involved with.

Before asking for funding, it is a good idea to contact the community affairs department of the corporation to discuss ways their employees can volunteer with your organization. Once their current or retired employees feel committed to your organization, the company will make a larger contribution than if you just asked for funds without previous involvement. Some corporations donate a set amount when employees volunteer a specific number of hours. Some companies even have formal "employee grants" programs for which employees make funding recommendations. Most major companies also encourage employee philanthropy through a matching gifts program, matching their employees' personal charitable contributions on a one-for-one or even a two-for-one basis.

CORPORATE MERGERS

Between the 1950s and 1970s, America's corporations were relatively stable bedrocks of their local communities. During the 1980s and 1990s, the wave of mergers and acquisitions changed the ownership — and the priorities — of many corporations. A nonprofit fundraiser woke up some mornings to find that a company that had supported their organization for a decade or more had been bought, corporate headquarters are now 2,000 miles away, and new people are in charge. Today, with the stock market growing again, we will be seeing an expansion of this trend. The bad news is that the total amount of funding given by two merged companies tends to be less than that of two separate companies. It's also difficult to develop and maintain relationships with corporate giving staff when their jobs and responsibilities change with the shifting tides of corporate politics. On the other hand, although your chances of receiving funding are undoubtedly better if you are close to headquarters, companies are increasingly stressing the importance of local control of their giving programs. If you have corporate volunteers involved in your program and a relationship with the local plant or facility, your chance of receiving funding is still good.

CORPORATE PRODUCTS AND SERVICES

Recent changes in tax laws now make non-cash contributions even more attractive to companies, driving a significant increase in this type of giving. In addition to the tax benefits, donated products spotlight the company's goods and can have a much more lasting impact than a one-time contribution. Pharmaceutical and technology companies are leading this trend. In 2000 Johnson & Johnson gave away health care products valued at a total of $135 million, compared with cash grants of just over $50 million, and Merck gave away $216 million in product value, 84 percent of its total charitable contributions. Product donations make up 75 percent of Microsoft's corporate contributions, and 65 percent of IBM's. If you can just as easily use products from a corporation as a cash donation, you might consider making that request. This trend in corporate donations is likely to increase dramatically. Companies are particularly interested in supporting networks, coalitions, and alliances of organizations as a way to disseminate their name and their products widely.

It is also possible to use the technical and volunteer expertise of a corporation to your benefit. Historically, corporations have "loaned" executives to an organization to help design a marketing plan, develop budgeting and financial information, or write bylaws, personnel policies, and legal documents. Many times companies will loan in-house printing capabilities for an organization's annual report, brochures, and special event invitations.

money for your nonprofit and only superficial exposure for the bank. You could offer to follow up the fair by working with the bank over the next year to develop other strategies and opportunities to market their services to your constituency (their potential customers).

The difference here is the desire of the nonprofit organization to work with the bank throughout the year on a variety of approaches. This is the basis of a partnership. This is the only form of fundraising that I know of that is *partnership* driven, *not* relationship driven. In a partnership both sides benefit from the relationship; the nature of the work together usually involves a negotiation process. Usually, the coming together of the nonprofit and the corporation starts with a relationship, but over time, when both sides see the benefits and understand each other's position, the relationship moves to a partnership that is more long standing.

Think *partnership* that lasts throughout the year, rather than a "one night stand." In this way, you can educate the company about the needs of your community, they can develop products to suit your constituents, and your nonprofit can develop a regular stream of income.

RISK INVOLVED

Are there risks in this approach? Sure there are. It would be foolish to think that corporate partnerships are a "free lunch." It is important to discuss prospective partnerships with your board of directors and other key stakeholders, particularly if you think the partnership might have any negative repercussions with your staff, immediate constituencies, or existing and future funders. Remember that the company will probably be much clearer about its self-interest than you will be about yours. This is why it's good to have a few business people on your board of directors to help you evaluate opportunities.

Most organizations, if they are going to do any significant amount of corporate fundraising, will create what's called a gift acceptance policy. This is a formal document, usually developed by a staff-board committee and formally adopted by the board, that sets out the ethical and value "screens" that your organization will use when considering corporate dollars. Will you take money from an energy corporation or a timber company if you are an environmental group? What about taking money from a tobacco company, beer distributor, or a military contractor? Under what conditions will you take or not take money? What reaction might your constituency have to taking money from this corporation?

Remember, it might be easy not to take funds from obvious polluters and other companies and just as easy to take money from progressive companies such as an REI, Patagonia, and so on. But the overwhelming majority of companies are somewhere in the "middle," and these are the ones that we do business with every day. These are the banks, insurance companies, retail stores, restaurants, and so on. It is extremely valuable for your organization to look carefully at these issues. When developing this policy it's good to form a committee with a couple of business people and others who are rock solid with the organization's values. (For a more detailed discussion of Gift Acceptance Policies, see "Fundraising Medicine: Creating Gift Acceptance Policies," by Rick Cohen in *Grassroots Fundraising Journal* Vol. Vol.21:1, January–February 2002.)

NEED NOT APPLY

This kind of corporate solicitation will not work for every kind of organization. Generally, corporations are conservative institutions that shy away from controversial organizations and start-up groups. Organizations that are involved with social justice or direct action work often have a harder time positioning themselves with corporations.

Bear in mind that corporations are one of the principal engines that drive our society. If we want to have long-term support from this funding source, we need to understand the corporate mindset and ask ourselves how corporations can support our mission while we help them support theirs. In some cases, we just want to ask them to pay a membership fee; in others, we will want a straightforward donation; but for those who want to take the relationship into a partnership, the rewards (and also the risks) of developing a cause-related marketing campaign can be much greater.

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THE **EFFECT** OF AN **ELECTION** ON **FUNDRAISING**

BY KIM KLEIN

While many people debate the effect of fundraising on an election — who gives the money, how much money any person or corporation should be able to give, what kind of favors the givers expect — we in development are looking at the opposite question: What, if anything, does election-year fundraising do to our ability to raise money for our non-electoral work?

Thinking about this question, I looked back at an article Lisa Honig had written in the *Grassroots Fundraising Journal* of July, 1984, called "Fundraising During an Election Year." (Lisa co-founded the *Journal* with me in 1981.) I had to laugh as I read her words: "Many fundraisers are facing the remaining months of 1984 with great trepidation.… Indeed, there is reason to be concerned. Many people with limited amounts of money to give away may feel forced to prioritize an election. And it is difficult to argue with those who choose as first priority defeating Ronald Reagan in his campaign for a second term as president. Those of us whose organizations are working to create a more egalitarian, just, and peaceful society also see defeating Reagan as a high priority."

EVEN A VERY HEATED PRESIDENTIAL ELECTION LIKE THE ONE WE ARE IN NOW DOES NOT HAVE AS MUCH AFFECT ON FUNDRAISING FOR OUR ORGANIZATIONS AS WE MIGHT IMAGINE.

I admit my laugh was a little bitter — here we are in the same position again, and how wrong we were to think that no one could be worse than Reagan! However, her article also reminded me that even a very heated presidential election like the one we are in now does not have as much effect on fundraising for our organizations as we might imagine.

Whether any election (local, state, or national) affects your organization's ability to raise funds depends a great deal on what kind of work you are doing and how much it interfaces with the issues that are being debated by people running for office or with other issues that are on the ballot. When your issues are in the limelight, that can affect fundraising positively. Many environmental, civil liberties, gay and lesbian, and liberal religious groups find that they are raising more money now than they were a few years ago because their issues are getting more attention than ever in the current election campaigns.

Regardless of whether the election year is bringing more attention to your issues or you feel your concerns have been buried by the few topics currently in the public's sights, there are seven things to keep in mind in the waning months of 2004 that will help your fundraising keep on track:

1) Stay on mission. Regardless of the outcome, your work will be as important November 3 as it was November 1.

2) Don't assume that your donors will give you less so that they can put money into an election battle. Many donors to political campaigns are not big donors to nonprofits, as you may have discovered if you've ever done a direct mail campaign to a sympathetic candidate's donor list. Further, people who give to nonprofits and to candidates or ballot measures generally maintain their giving to both rather than taking from one to give to the other.

3) On the other hand, respect any donor's decision to give your organization less money so that they can put money into an election pot. Acknowledge that this is a hard decision for them. Say something like, "I admire you for being engaged in this process, and I appreciate you for telling me why you are decreasing your donation to us." Then, if possible, ask if you can come back in six months and talk to them again: "I don't want to wear out my welcome, but can I call in six months and ask you for more money then?" This allows the donor to end the conversation on a positive note — and keeps your foot in the door.

4) Do as much of your major gift fundraising before October 1 as you can. If an election (particularly a presidential election) looks like a squeaker, you don't want to be competing with the frenzy of fundraising that will characterize most of October. Ditto your events — unless you have to, don't plan them for October or early November, and don't do any big direct mail campaigns during that time either.

5) If some of your donors are giving your organization less money during this election year, use that as a reason to upgrade other donors. Go to them and explain frankly that some donors have chosen to put their funds into electoral work, and you are asking other donors who haven't made that choice to help you with an increased gift.

6) If your organization is working on issues that are in the public eye right now, use that to your advantage (and obviously to the advantage of the issue you are working on). In your written materials, emphasize that whatever the outcome of the election is, your work will still be needed to keep the city/state/country on track. Remind donors that things can get a lot of media attention and then disappear without any significant change unless organizations like yours keep the pressure on for real and lasting change. Use your website to help donors stay tuned to what is being said by candidates and the press about your issues — and how your organization is responding. And don't forget to use your increased visibility as an opportunity to ask for money, and be sure to include a request for support in all of your materials.

7) Finally, use this experience to track how an election affects fundraising for your organization. I have had many calls and e-mails asking me how one campaign or another (presidential, senate, or even local school board) is going to affect fundraising. People are surprised when I ask how other elections in the past have affected their fundraising. This is not the first election we have lived through. But it should be the last one you get through without collecting data.

Finally, I wish to predict the outcome of the presidential election: I think it will be a white man, Yale graduate, and member of the secretive Skull and Bones Society. Anyone wish to bet against me? GFJ

KIM KLEIN IS PUBLISHER OF THE *GRASSROOTS FUNDRAISING JOURNAL.*


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