FUNDRAISING IDEAS THAT WORK!

Grassroots Fundraising Journal

VOLUME 23
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FEATURING:

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BY JILL VIALET

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GRASSROOTS FUNDRAISING JOURNAL
3781 Broadway • Oakland, CA 94611
PHONE: (888) 458-8588 (TOLL-FREE)
(510) 596-8160 (SF BAY AREA)
FAX: (510) 596-8822
E-MAIL: info@grassrootsfundraising.org
www.grassrootsfundraising.org

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LETTER FROM THE PUBLISHER

KIM KLEIN

We often receive letters and e-mails at the *Journal*. Some readers are looking for information or want a question answered. Others write to object to our politics or to request an article on a particular aspect of fundraising. We enjoy hearing from readers, and we respond as best we can. While we will not change our politics, we do take requests for articles seriously, and they often inform the content of future issues.

In our 23 years of publishing, the greatest response has come from my request a couple of issues ago for readers to weigh in on whether the *Journal* should stay in paper or change to a virtual format. Overwhelmingly, the vote among the 75 who responded was for paper. Many wrote about where they read the *Journal* (a few places mentioned: in their yard or a public park, on the subway, during boring meetings, at a coffee shop, while waiting to pick up their kids). People from rural communities and overseas prefer paper because their electricity doesn't always work, downloading is difficult, or access to a computer is limited. A few who said they would prefer virtual want to be able to forward articles to others.

So, let me assure most of you, disappoint a few of you, and raise the hopes of some of you: first, we will be staying in paper for the foreseeable future; second, we will be exploring making a virtual format one choice of how to receive the *Journal*.

I was most gratified by the number of readers who said they would pay more in order to keep the *Journal* in a paper format. This is borne out by the generosity of so many of you who have made donations to the *Journal* over the past several years. All of which makes my next sentence easier to write: We will be raising the price of the *Journal* in January, 2005. The exact prices are being worked out now. However, here's something to soften the blow: *Renew now at the current price of $32,* no matter where you are in your renewal cycle, and we will add *one full year* to the end of your subscription, even if you just subscribed or just renewed. This offer is good through December 15, 2004.

Here's another great offer: Think of the holidays ahead and give your nonprofit friends a gift of a year's subscription to the *Journal* at the current low price of $32. We will send your friend a card telling them of your gift and begin their subscription with the next issue. This offer is also good through December 15, 2004.

Thanks again to all those who took the time to write. Hearing from you helped us make the decision and gave us a number of alternatives to consider as we go forward.

In this issue, we have some wonderful articles. Andy Robinson, a regular contributor, writes about why and how volunteers make the best fundraisers. Jill Vialet, executive director of Sports4Kids, describes using an idea from one of my books in restructuring her board, and Sue Merrilees writes about what it was like for her as a full-time fundraiser to be cultivated for a major gift — or was she being cultivated (read on). Finally, I fulfill a promise I made in my last Letter from the Publisher to provide more detail on the numbers of who gives away money, how much, and to what. *Enjoy!*

The Seasonal Board: Shorter Commitments *Create* Greater Involvement

Chyna, Sports4Kids Girls Basketball League player, Oakland, CA

BY JILL VIALET

Over the past 17 years, I've been the founder and executive director at two nonprofit organizations. One of the key challenges that I've faced at both of these agencies has been creating an effective board structure. Because I was a founder at each organization, the boards tended toward being more "hands-off," generally deferring to my lead.

While this has had its benefits, I have also been aware that to create a sustainable organization, it is important to develop a structure that affords the board greater opportunities for input, vision, and governance. This article is an attempt to describe our experiment at Sports4Kids with an alternative structure that we have named the Seasonal Board.

Sports4Kids is a grassroots nonprofit organization bringing structured sports and recreation programming to more than 20,000 children in 65 low-income, underperforming Bay Area elementary schools. Founded in 1996, Sports4Kids gives kids the chance to play in an environment designed to encourage participation and alleviate conflict.

LOOKING FOR ALTERNATIVES

In the fall of 2001, while preparing to teach a college-level course on starting a nonprofit organization, I was reading Kim Klein's book, *Fundraising for the Long Haul*. Her chapter on creating an effective board and, in particular, the importance of the committee structure, rang true for me. In describing alternative board structures, Klein writes of the ad hoc committee structure:

> In this alternative, the board can be small or very large, but the work of the organization is done by a number of committees made up of board and non-board members, possibly including staff. Each committee has a lot of autonomy coupled with a clear sense of their boundaries and responsibilities. They come together to complete a task and then they dissolve into another committee. The full board meets no more than quarterly to decide what committees will exist for the next period of time and who will be on them. Once a year, the board and staff, in a one or two-day retreat, prepare an extensive work plan for the year.
>
> Generally, this structure calls for some kind of oversight committee, which would traditionally be the executive committee. These ad hoc committees should not be limited to the traditional committee names and functions, such as Nominating, Personnel, Finance and so on. You can have Winter, Spring, Summer, and Fall committees, with five to seven people taking full board responsibility for one quarter of the year. The rest of the board participates as needed. This works well for the very busy people we tend to attract to our boards — they will carve out the time for a short period but aren't able to sustain that level of commitment for a whole year.

Molly spoke of the frustration of being a part of a board that felt like a rubber stamp, alternating with feeling guilty for not being able to do more.

A month later I was having breakfast with one of my board members, Molly. Molly wanted to discuss her concerns around her involvement on the board and to let me know that she was considering stepping down. She started by acknowledging the contradictory nature of her concerns, and yet it came down to a complaint that I had heard in various forms throughout the year — a combination of "I'd really like my involvement on the board to be more substantive, more meaningful" and "I really don't have the time to make the kind of commitment that I'd like." Molly spoke of the frustration of being a part of a board that felt like a rubber stamp, alternating with feeling guilty for not being able to do more.

My conversation with Molly and other board members reinforced for me the value of Kim's suggestion about ad hoc, quarterly committees stepping into more involved activities for a short period of time. The structure that evolved for Sports4Kids was four seasonal committees — literally Winter, Spring, Summer, and Fall.

HOW IT WORKS

Each committee takes on three issues or areas to pay close attention to during its term: a development issue, a governance or structure issue, and a program area. In the realm of program, the work of the board was to become more familiar with an aspect of the agency so they could be more informed when representing the agency in the larger world. From the outset it was explicit that the board's involvement in program was to inform governance and development issues, not to micro-manage operating decisions. We've had good results: board members have invariably reported being inspired by their program visits and left with a more tangible grasp on our mission.

The first year's meeting themes broke down as follows:

	FALL	WINTER	SPRING	SUMMER
DEVELOPMENT	Direct mail	Corporations	Special event	Special event
STRUCTURE	Audit	County partnership	Budget	Planning
PROGRAM	New schools	Basketball	Volleyball	Staff training

The amount and type of work that each committee put into each area varied with the subject and the participants. For example, the Winter team that focused on establishing county partnerships worked with me to schedule meetings with the department heads of assorted county agencies — Health, the County Office of Education and Probation, among others — and attended those meetings with me to familiarize county staff with our efforts and explore opportunities for collaboration.

In addressing corporations, the Winter team created a list of contacts at local businesses and made contacts with corporations to identify potential corporate sponsors for our golf tournament. Ultimately the corporate committee recommended creating a new signature event because the golf tournament market is so saturated. As a result, we created the Sports4Kids Corporate Kickball Tournament, with ten corporations fielding teams of 10 grown-ups playing in a day-long tournament on Treasure Island.

The amount of leadership assumed in each area seemed to reflect both board member personalities and comfort with the topic. For example, our treasurer worked easily with our auditor and independently of me set up meetings and discussed their findings. Similarly, the committee that worked on the Special Event — a wine tasting — did virtually all the work without asking anything of staff until the day of the event.

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In the direct mail project, Fall committee members contacted all of the board members to gather individual mailing lists and then assisted with the actual mailing — handwriting notes, and so forth.

On the other hand, encouraging the board to observe programs in action has always required a high degree of staff cajoling and going through the budget so that the board has a strong understanding; this requires a lot of staff involvement. While the need for cajoling continues under the new system, the focus of each season lends a structure that has allowed the board to take more responsibility for its own course of action.

COMMITTEE COMPOSITION

Since the board has between 10 and 15 members, we decided to have three board members on each seasonal committee, enhanced by one to three non-board members. We use the non-board committee slots both to beef up the work the committee can accomplish and as a reciprocal vetting process for new board members: potential board members get a sense of us and we of them.

On their side, non-board committee members tend to be involved either because they bring some expertise to an issue or task or because they want a "board-lite" experience. For example, in the season when the board looked at the implications of becoming an AmeriCorps program, we invited a former AmeriCorps program director to serve on the committee to assist with understanding and planning. Others often become involved to work on a specific fundraising event, such as the wine tasting or our corporate kickball tournament.

GREATER ENTHUSIASM ALL AROUND

In transitioning the entire board from monthly to quarterly meetings, we decided to keep the Fall, Winter, and Spring meetings at two hours but to change the Summer meeting to a longer (5-hour), retreat-like format.

With the switch to the quarterly meetings, I found that my enthusiasm for creating more engaging meetings — bringing in guest speakers, better food, and more forethought in creating opportunities for input — increased markedly. Moreover, the seasonal committee members took a more active role in setting agendas and presenting information. For example, the Spring committee, which reviews the proposed budget, now leads the budget discussion at the Spring meeting, fielding questions about specific line items and encouraging a more significant level of understanding and ownership.

Board meeting attendance at the quarterly meetings also improved dramatically and the level of dialogue has stepped up. There are probably two reasons for this: the greater involvement of board members at the committee level, and the presence of non-board members at the meetings. Because the non-board committee members are invited to the board meetings both before and after the season in which they serve, there are between two and six non-voting community members participating in discussions and generally increasing the sense of enthusiasm and possibility.

REASONS FOR SUCCESS

In many ways, the new board structure has invigorated our board and been quite successful. There seem to be a number of reasons for this success. On one level, the very new-ness of the structure engaged folks. More important, though, board members feel that the new structure has brought more meaty tasks to the board — more concrete opportunities for them to think big thoughts and have meaningful input in the direction of the agency. This is probably a result, too, of the expectation that board members will work hard for a finite period of time, then take a back seat for the other quarters of the year.

Even with this new enthusiasm, the board is still hesitant in initiating some tasks; this may be a lingering result of the natural relationship between founders and boards combined with the need for staff to nurture leadership in the board.

Board members feel that the new structure has brought more meaty tasks to the board — more concrete opportunities for them to think big thoughts and have meaningful input in the direction of the agency.

CHALLENGES

The transition hasn't been without challenges. There have been seasons that, for an assortment of reasons — scheduling, inadequate staff support, poor theme selection — board work just never happened. But the board has responded creatively, taking more leadership in determining the topics for the current year at our annual retreat and committing in advance to different seasons based on topic interest. The board has also shown greater leadership in identifying and recruiting outside committee members.

It has become clear that the board also needs a standing executive committee that can act quickly and with a higher degree of authority. We established such a committee, made up of the Board Chair, Treasurer and Secretary, last year, the third year of our seasonal structure.

At this year's annual retreat, the board agreed unanimously to continue with the Seasonal Committee structure. The board continues to wrestle with the issue of assuming leadership for its own direction and the struggle around fundraising continues, though the addition of a staff person dedicated to corporate and individual giving with an emphasis on events planning has created a better structure for plugging in board members.

WORTH A TRY

The Seasonal Committee structure has been an effective approach for Sports4Kids because it shook things up and compelled us to look at how the volunteers serving on the board might best contribute to the organization. Moreover, trying a new model opened up the process of involvement for both staff and board members and allowed us to bring some creativity to an aspect of our agency that hadn't been functioning effectively.

Finally, it seems that being part of something new has the potential to inspire greater thoughtfulness and leadership — two hallmarks of an effective board. Based on our experience, I would encourage others to take a fresh look at the way your boards function and encourage board members to consider alternative structures to give greater meaning to their contributions of time and effort. GFJ

JILL VIALET IS EXECUTIVE DIRECTOR OF SPORTS4KIDS: JILL@SPORTS4KIDS.ORG.

Lessons
from the other side of the table

BY SUE MERRILEES

For more than fifteen years I've worked as a professional fundraiser. Although I've been on the receiving end of direct mail pieces, friends' requests to sponsor them for whatever-a-thons, and school children waving candy bars, I had never been on the other side of the table with someone about to ask me for a major gift until this year. This article recounts that experience and the insights it gave me into asking and being asked for major gifts. These lessons can help us understand what works in making major donor solicitations — and what doesn't.

I'M INVITED TO LUNCH

A few months back, I received an invitation to lunch with the new director of an educational program that I had attended (names and details have been concealed to protect the squeamish). I was interested, yet more than a little puzzled by the invitation. I had been a nominal donor since graduating, and a not particularly involved alumna.

A meeting with someone from the program wasn't unprecedented. Last year I'd had lunch with a member of the development staff. She had surprised me with an e-mail saying she was visiting my area and asking if we could schedule a visit. Since this invitation came with just a few days' notice for a trip that probably was in the works for some time, I assumed I was a "filler" visit, and rightly so. With my giving history and profession of fundraiser known to the school, no smart development officer would consider me a high priority for a major gift. I agreed to meet her. In addition to the possibility of my making a larger gift, I thought it would be illuminating for my own work to analyze how I felt throughout the process, from receiving the first contact, to the meeting itself, and any follow up afterward.

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Lesson 1: Never Ignore Donor Communication — No Matter How "Insignificant"

Direct mail had prompted my occasional gifts of \$100– \$200 to the program before. I did not give more for two reasons; generally amateurish copy and the continued use of "Miss Susan" in the salutation. Of course, I was probably a tougher audience than most, even though I've sent my share of poorly written letters and misspelled the recipients' names.

It wasn't the quality of the program's letters or the original salutation that really bothered me; it was the program's failure to correct the latter mistake. Despite my returning corrected address labels, I still got pieces addressed to Miss Susan. Every time I saw the old name on the reply envelope, it did not inspire confidence that this was a well-run organization worthy of further investment. My own bias defined "well-run" as adequate money and attention paid to fundraising.

Most important, the lack of correction made me feel that no one had listened. I'd given up on sending in more labels because I tired of the effort and figured there were multiple databases involved and the correction would only make it into one at a time. This feeling of vague disgruntlement confirmed for me how critical it is to listen to someone when they go to the trouble to make contact, even on a seemingly small thing like use of an old name (although identity is really a big thing to most everyone). If the program had promptly made the correction, I doubt I would remember anything about it.

When I analyzed further my lackadaisical giving to the program, I realized I had been looking for reasons either to give more, less, or not at all, and the letters had primarily supported the latter two actions. And, like most people, I would not give a major gift solely based on a mail appeal. Which brings me back to my lunch with the development officer.

Lesson 2: Dig a Little Deeper

She was a good listener and picked up on my signs of interest as I recounted various memories about the program. She introduced news of current events at the program and either expanded on them or dropped them according to my response. We talked about some of my interests (opera, among them) and my husband's profession (also a fundraiser), and the fact that we have no children. If she was trying to get a sense of our financial assets, the meeting revealed us to be urban DINK's (Dual-Income, No Kids), a middle-class couple with well-paying professions for the not-for-profit sector, but living in one of the most expensive areas in the country.

Family money is always a possibility in such situations, of course, but only just a possibility. Our Bay Area locale and connections might have set us up for a dot.com stock market windfall (and/or downfall), but again, only just a possibility. A few discreet questions would have explored either (and might have provided some clues for the program's research staff to follow up on), but she did not ask them.

> This **feeling** of vague disgruntlement **confirmed** for me how critical it was to **listen** to **someone** when they go to the trouble to make **contact**, even on a seemingly small thing like use of an old **name**.

Lesson 3: Competition Works

She did talk about the program's upcoming fundraising campaign and left me with a case statement and a strong example of a very recent graduate who now worked for the program and who was so enthusiastic about his education that he had already pledged $5,000. I had a good idea of his likely income and was frankly amazed. In addition to feeling shocked, I found myself wrestling silently with comparisons between us, starting first by denying we had anything in common. For example, I imagined somewhat agitatedly, "He still lives near the program's vicinity and is much more attached to it, he might have felt pressure from others at work, he probably has wealthy parents, or fewer obligations," and the like. I was familiar with this kind of distancing rationalization, because I'd heard variations of it dozens of times from prospects I had solicited.

Lesson 4: Peer Competition Works Even Better

It was only after leaving the restaurant that I began to think about what I had in common with this graduate. Peer competition came into play. I thought, somewhat belligerently, "We both came out of the same program, but he's even younger than I am and presumably has fewer resources he's made on his own. My giving needs to reflect the fact that I've had more years to make money. I received a good education there. And I feel strongly about giving back. I see myself as a generous person." The whole thought process included the question, what would my friends be giving to the program? I realized I did not want to give too little (cheap, unsuccessful, ingrate), but also did not want to give too much (sucker, show-off). I'd never thought of myself as the typical herd animal, but that's probably typical herd-animal thinking.

I mentioned the whole experience to a fundraising colleague whose financial picture was similar to mine. He laughed and said off-handedly, "If it's a gift over five years, you could just pledge $10,000." I realized that a peer was probably giving at higher amounts than I ever considered, and felt ashamed. I'd always thought that choosing to work in the nonprofit sector was a donation of sorts. However, whenever I heard people respond to a solicitation by saying they gave their time and that should be plenty, I always groaned inside.

Lesson 5: The Prospect Does (At Least) 50 Percent of the Work

So from this lunch I was left to ponder and prepare for the solicitation I assumed would come once the campaign was underway. During the lunch we had talked briefly about people with whom I was still in touch, and I wondered if it would be one of them or staff who would solicit me, and how that might affect my final decision. As far as I knew, the friends I had retained from the program weren't that magic combination of eager volunteer, gifted fundraiser and generous donor. I didn't think I needed someone to apply direct peer pressure. Just hearing about the gift of someone else I considered an equal in situation would be persuasive enough for me.

During my calculations, the case statement the development officer had handed me didn't influence me in the slightest. I don't even remember reading it, which pains me to realize because of hours, days and weeks I've spent painstakingly crafting annual reports and brochures for various organizations. I'd like to think that it was my alumna status that made the written description less important, because I do read most publications for other organizations. When it came to my decision about supporting this program, it was my memory of it that was the strongest motivation, not its current activities or plans.

> It was a nice **change** to have someone **offer** to come to me, at a time **ideal** to my schedule, since work as a **fundraiser** almost always consists of **meeting** at someone else's **convenience**.

THE SECOND LUNCH

A year after that first lunch, I was surprised to get another e-mail from the development officer asking me to have lunch with the new director of the program. I had assumed that she and I might meet again, but doubted I rated a visit with the director. I wondered why they were spending their undoubtedly limited time on me. Given the implied reciprocity, it also made me a little uneasy. In accepting the invitation, I was accepting the possibility, if not confirming my intention, of greater support.

Lesson 6: Make the Meeting Count

The director met me in the lobby of my office building and we went to a restaurant where I had made a reservation. It was a nice change to have someone offer to come to me, at a time ideal to my schedule, since work as a fundraiser almost always consists of meeting at someone else's convenience. We had a friendly little chat as we walked and I liked him well enough. I could see how a lunch or meeting with an attentive, intelligent person — focused totally on you — would be a nice way to spend time (I might feel different if I had negative feelings about the program).

Once we were seated at the restaurant, the talk turned to the program. He gave me an update and talked about various new developments. He hardly asked me any questions, which was definitely a handicap, since he was presumably there to get to know me better. After he described some aspect of the program, I would respond with questions or reminiscences, and while he answered the questions, he then returned to his train of thought. The only question he asked me directly was something the development officer should have already told him: "What did my husband do?" Perhaps he had forgotten or felt awkward revealing that he already knew personal information about me.

It was enjoyable to discuss the program and I was upfront about my fondest memories. Several of these were about the chapel, the site of the welcoming ceremony for new students, various celebrations and graduation. He agreed it was a special place and told me of his plans for renovation and improvements. He also told me some of the prices, for air-conditioning ($500,000 or so) and a new organ ($950,000). He was especially enthused about the new organ until I confessed I disliked organ music, which seemed to surprise him (I would have been more surprised if someone actually liked organ music). But he did stop talking about the organ once I said that.

Lesson 7: Step Through an Open Door

Here we go, I thought, Money (although the six-figure prices he quoted made me sit up a little straighter in surprise and almost deterred me from pursuing the topic). But I plunged in, "As the new director, how do you like the fundraising part of your duties?" I remembered the many times I'd gone to solicit business-like people and made nervous small talk until they rescued me by saying, "How can I help you?" I figured I owed him a nice softball of a question for all those kind prospects that had helped me out in the past. He responded, somewhat anxiously it seemed, "I'm really enjoying fundraising," then recounted a story of a visit he had made to an alumni group in another state. At the end of his talk there, someone said to him, "Of course, you are going to ask us for money, aren't you?" He assured her, "No," and went on to tell her how he just wanted to get to know them better and gather their opinions about the program's future or some such nonsense.

Once I removed my jaw from my salad plate, I told him that I usually responded to that common question by simply replying, "Yes, I am, and let me tell you why," then launching into the case for support or, if appropriate, saying, "I'm not going to ask you for money today, but someday, yes, I will probably do so, and let me tell you why (see above)." I explained that I'd found that people appreciate a direct response. Given his blank look I decided it would be rude to launch into a primer on fundraising so I shut up and drank some more iced tea.

Lesson 8: Don't Mention Exclusive Groups

He mentioned that the group he had been addressing was a volunteer Alumni Council. I perked up, thinking, hey, that would be interesting. I assumed with the campaign coming up, at least part of its duties would involve fundraising, and there I could certainly help. Suddenly one reason for the lunch seemed clearer — he was looking for recruits. I realized quickly that a title and group activity would definitely tie me into a campaign effort. But when I asked him if the Council was responsible for regional fundraising, he replied "Somewhat," but then expounded only on their efforts encouraging admissions, providing internships and forming career networks for new graduates. I began to wonder if I needed to remind him what I did for a living. After I asked one more question about the Council, I dropped the topic, as I felt like I'd signaled my receptiveness enough and began to feel a little rebuffed. Clearly, recruitment was not the goal of the lunch.

We both ordered coffee and our conversation wound down, with me growing increasingly perplexed. Maybe my lack of enthusiastic response to $500,000 and $950,000 quotes was all the information he sought and it was clear that I was not going to be the lead donor and hence, lead volunteer. Even if I had that kind of money, however, I can't imagine saying, "Let me write you a check for that," without being asked directly. Nonetheless, he seemed relieved that the money topic was over as he sat back with his cappuccino and asked about worthwhile museum exhibitions currently in town. There was the obligatory wrestle for the check, which he won. He had invited me, but I wanted to say (at least once in my life), "Hey, you're with the not-for-profit here." We parted ways cordially, with nothing said about the campaign or fundraising that I had not initiated.

> I **remembered** the many **times** I'd gone to solicit business-like **people** and made nervous small **talk** until they **rescued** me by saying, "How can I **help** you?"

Lesson 9: Thank the Prospect — and Use the Thank You Strategically

I did not receive a thank you note, which might have explained the situation, from the director or the development officer. I always consider the thank you note an opportunity to reiterate (or clarify, if necessary) the primary points of the meeting and outline the next steps. Even after a relationship is long established, the institution, or the entity being funded (or being considered for funding) is always somewhere in the picture. Fundraising is never a purely social occasion. I even began to wonder, since he insisted on paying for the meal, perhaps I should have sent him a thank you note.

BELIEVING MYSELF AT LAST

This experience was interesting to me as both a fundraiser and as a prospect. I was happy to see that a few of my lessons were axioms I'd been telling anxious and skeptical volunteers all along. These included Lesson 3: Competition Works, and Lesson 4: Peer Competition Works Even Better. From the prospect's point of view, I now understand why. And these lessons caused me to rethink who I imagined to be the ideal prospect for these tactics. In the past, I primarily used them with groups consisting of men, financiers, lawyers or athletes (I plead guilty to stereotyping): say, a man working at Bear Stearns with a law degree on his wall and a football helmet in his closet. No more. These guys just responded immediately and unmistakably; but so did I, confirming these strategies to be universally applicable.

Another surprise lesson to me was how pleased I felt to be approached. I felt flattered and included. Though I had often encouraged nervous volunteers to make their calls by telling them that prospects were excited to be asked (and hurt if they weren't), I must have harbored some secret doubt that was dispelled by this experience. I guess I had absorbed too many bad vibes from prospects who took out their negative feelings about a program, guilt over not giving previously, discomfort with even thinking about money, or crabbiness about the weather on any fundraiser who happened to cross their path. I realized I had unconsciously blamed the negativity on some failed technique of my own even though I didn't take credit for a positive response. I usually chalked the latter up to belief in a cause or fond feelings about an institution, not something I had done right. Again, no more.

Of course, the idea of taking too much credit for a positive or negative response was dispelled by confirmation of Lesson 5 — The Prospect Does (At Least) 50 Percent of the Work. This is a variation on something I had always used to reassure staff who did everything perfectly, only to be refused. I would say, "You only control your own efforts, the other person is a big part of the equation." Until I was the prospect agonizing over the decision — in this case, without much guidance from the institution — I did not realize just how much my own factors affected my potential gift and its timing.

It was helpful for me to see the solicitation process from the other side of the table and to be pushed beyond my own giving comfort zone into considering a commitment to the program that would probably be the largest philanthropic gift I had ever made. I felt excited and ready to make that commitment but the opportunity was lost, as Lesson 6, Make the Meeting Count, was something the Director had yet to learn.

Perhaps the greatest lesson of all was a reminder of what all good fundraisers know: opportunity is the most valuable thing we have to offer. GFJ

SUE MERRILEES SOLICITS GIFTS ON BEHALF OF THE INSTITUTE FOR NEURODEGENERATIVE DISEASES AT THE UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO; SHE CAN BE REACHED AT SUEMERRILEES@YAHOO.COM.

in Praise of Amateurs: why Volunteers make the Best Fundraisers

BY ANDY ROBINSON

Fact: We now have 1.35 million nonprofits, including 870,000 charitable 501(c)(3) organizations, in the U.S. This does not include the hundreds of thousands of informal groups that come together to play soccer, improve neighborhood schools, deal with local pollution problems, put on performances, and so on.

What do these organizations have in common? From the ever-present bake sales and candy drives to benefit events and major gift campaigns, *they all raise money.*

Nobody knows how many nonprofits are large enough to employ staff — and nobody knows how many of these staff members devote substantial time to fundraising. However, it's a safe bet that a healthy majority of these groups are comprised entirely of volunteers.

Fact: The Association of Fundraising Professionals (AFP) now boasts 25,000 members, including many in Canada, Mexico, and overseas. Their annual international conference, touted as the world's largest gathering of fundraisers, draws between 4,000 and 5,000 participants. Despite these impressive numbers, AFP members represent a tiny slice of the fundraising community, since very few grassroots groups participate.

Fact: According to a recent study by Seton Hall University, nearly 100 colleges and universities offer graduate degrees with concentrations in nonprofit management. Many of these programs allow their students to specialize in fund development. For part-time students and working practitioners, hundreds of other universities and nonprofit support organizations have created fundraising certification programs, with a sequence of classes leading to a professional certificate.

Fact: As long as human beings have used money to conduct commerce — we're talking thousands of years — people have been raising it for charitable purposes. (Obvious example: the church.) Indeed, our ancestors were philanthropic long before money existed. They gave food to their hungry neighbors and took care of the sick. The idea of fundraising as a profession has only taken hold in the last fifty or sixty years.

It is a myth that professional fundraisers show up with a list of rich people who always say yes, which means the volunteers will not be forced into the awkward position of soliciting friends, family, neighbors, and coworkers for support.

As you can tell from the title of this article, I'm a bit dubious about this trend. On one hand, "professionalization" leads to common standards and, we hope, accountability. As a former chapter board member, I thank the AFP for its wonderful work on codifying and enforcing fundraising ethics. Networks such as AFP also create opportunities to share knowledge, mentor new practitioners, debate pressing issues, and improve everyone's performance. As one who makes his living as a trainer, I'm grateful for the notion that good fundraising encompasses a range of professional skills, and that those skills can be learned and practiced and perfected. This is all useful.

However, I keep returning to something I heard Joan Flanagan say years ago. Joan is the author of several books, including *Successful Fundraising,* and she is a pioneer in applying fundraising principles to the needs of grassroots organizations, especially those working for social change. "All the knowledge about fundraising can be summed up in ten words," Joan said. "'Ask 'em, thank 'em, ask 'em again, thank 'em again.'"

I consult with many grassroots groups and they find these words to be a great relief. They tend to view fundraising as complicated, mysterious, and scary. Because development is now viewed as a profession, they assume that they need to hire someone with appropriate credentials to do the job, as one would hire an accountant, plumber, or lawyer. Another myth is that professional fundraisers show up with a list of rich people who always say yes, which means the volunteers will not be forced into the awkward position of soliciting friends, family, neighbors, and coworkers for support.

Neither assumption is true. While fundraising training is often helpful, you don't need a professional degree to do the job. Yes, many professional fundraisers know how to ask for money, but donors won't give without believing in the cause and feeling confident about the group.

At its heart, fundraising is one person asking another to get involved, provide help, take a stand, join a movement, and feel good. Yes, there are strategies and techniques — just read the rest of this publication — but all the strategies and techniques in the world are useless without passion for the mission. Because fundraising is about developing and honoring relationships, anyone can do it. I believe that volunteers — including board members, committee members, and just plain members — can do it most effectively.

Because fundraising is about developing and honoring relationships, anyone can do it.

After all, in your capacity as a board member or other volunteer, you receive many rewards, but money is not one of them

FIVE REASONS THAT VOLUNTEERS MAKE THE BEST FUNDRAISERS

1. They're passionate. "The best fundraisers come out of causes," says fundraising consultant and author Harvey McKinnon. "You can teach anyone basic skills, but you can't teach commitment and sincerity and, ultimately, that's what donors respond to."

Sure, many fundraising professionals are also passionate about their organizations, but it's useful to note that development directors average fewer than two years with each employer. The pros tend to move around a lot. When asked why, one of their chief complaints is that volunteers — specifically board members — won't fully participate in fundraising. In other words, the efforts of volunteers can make or break those of the professionals.

2. No financial self-interest. What self-interest? There's no shame raising money for your own salary — I did it for years at several nonprofits — but volunteers have a bit of an advantage: not even a whiff of personal economic benefit. After all, in your capacity as a board member or other volunteer, you receive many rewards, but money is not one of them. Your honored status as a volunteer gives you a lot of credibility.

3. They're donors, too. The gold standard for individual solicitation is the peer-to-peer ask: one contributor asking another.

"Martha, we gave $500, which was a big gift for us. If you could match our contribution, I'd be grateful — and I know everyone in the group would appreciate your support. Please be as generous as you can. This work is so important to our community."

By revealing their own gifts — even if they don't mention an amount — and the reasons they give, volunteers establish a ton of credibility. That credibility rubs off on the groups they represent.

4. They can ask for help. For amateurs (I use the word in its best sense), vulnerability can be a distinct plus. When setting up donor visits by phone, I encourage novices to consider the following appeal:

"Simon, I'm on the board of _____ and one of my responsibilities is to raise money from my friends. It's a bit intimidating, so I'm looking for help. Can I come to your home and practice? It's a real request — I hope you'll consider a gift — but even more than your money, I need your feedback. Maybe you could critique my pitch and help me to make it stronger."

This approach reduces the pressure, because nobody expects a polished presentation. Furthermore, it expands the development team, turning each prospect into an informal fundraising strategist. Finally, it's likely to result in a gift. Who can resist an appeal like that?

> **This approach reduces the pressure, because nobody expects a polished presentation.**

It would be hard for a professional to use this strategy effectively, but for volunteers, it's almost foolproof…as long as you're genuine in your desire for feedback and support. (On the other hand, if you use this approach to manipulate people, you will only annoy them — so be honest and lead with your heart.)

5. Donors admire their courage. Everyone knows that asking for contributions is difficult work, so we tend to think highly of those who take the risk — especially volunteers.

Given the nature of the world, professional fundraisers will be with us for the long haul, which is undoubtedly a good thing. In addition to managing the fundraising program and dealing with its logistical complexities, a development director's highest calling is to train, support and facilitate the work of volunteers. For all the reasons outlined above, professionals should never (and probably will never) take the place of volunteers — and that's a good thing, too. GFJ

ANDY ROBINSON IS A CONSULTANT AND TRAINER BASED IN PLAINFIELD, VERMONT. HE IS THE AUTHOR OF *GRASSROOTS GRANTS* (REVISED, 2004), AND *BIG GIFTS FOR SMALL GROUPS.* YOU CAN REACH HIM AT (802) 479-7365 OR ANDYFUND@EARTHLINK.NET. A VERSION OF THIS STORY APPEARED PREVIOUSLY IN *CONTRIBUTIONS*.

Looking at the numbers

BY KIM KLEIN

For fundraisers, some of the more fascinating reading we do is about how much money is donated by whom to what. This can also be some of the most frustrating reading, as one study contradicts another and explanations of competing methodologies leave you feeling that it would be useful to have a Ph.D. in statistics before daring to comment. Nonetheless, I offer the following.

Probably the two best-known and most widely quoted sources of information on giving are *Giving USA,* compiled and published annually by the American Association of Fund Raising Counsel (AAFRC), and *Giving and Volunteering in the US* by the INDEPENDENT SECTOR. *Giving USA* has been published every year for 49 years and definitely sets a high standard for attempting to bring together all research on giving in one place. They are constantly refining their methodology. The INDEPENDENT SECTOR studies tend to come out every other year, and have not been published for nearly as long.

In addition to these stalwarts, there are studies from the Center on Philanthropy at Indiana University, (which now also produces *Giving USA*), the Center on Wealth and Philanthropy at Boston College, the Foundation Center, the National Center for Charitable Statistics, the Conference Board, the Council for the Advancement and Support of Education (CASE), the empty tomb (for research on religion), and many others. Many states and some cities and towns also conduct studies on local giving. Moreover, there are more and more studies coming in from other countries, and these are often fascinating.

Like most things, there are some simple, useful truths that we can glean out of all of these numbers; then, if we have any time left over after we have finished actually raising money, we can read the rest of the studies for our enjoyment and edification.

> ***70–80 percent of all money given away comes from individuals who are alive at the time the nonprofit receives their gift.***

There are three main ways to collect data on giving: analyze the individual tax returns of people who itemize their deductions and extrapolate from them, survey a random sample of the population and extrapolate from them, and compare the results of either or both of these methods with what is reported from charities on their 990 tax forms or in polls and surveys. Research results can be broken down into demographic data such as age or income or any number of other variables.

Here, however, is the simple truth: *in any way that giving is studied, the following is always true:*

- ***70–80 percent** of all money given away comes from individuals who are alive at the time the nonprofit receives their gift.*
- ***5–10 percent** of all money given away comes from individuals who are deceased when the nonprofit receives their gift (obviously the gift was made in their lifetime and is likely to be a bequest).*
- ***About 10 percent** of all money given away comes from foundations*
- ***About 5 percent** of all money given away comes from corporations.*

In 2003, the total amount given by individuals (living and deceased), foundations and corporations was just under $241 billion (that's billion, with a B. Each billion is one thousand million dollars.)

There is little controversy about the above percentages. Where we begin to get into controversy is when we try to figure out who the people are who give away so much money. From a variety of kinds of studies, we are confident in saying that about 7 out of 10 adults in the United States give away money. Where these numbers have been studied more locally, we have some interesting variations to examine. For example, in Hawai'i, 9 out of 10 adults give away money, compared to Alaska, where 6 out of 10 give. In Boulder, Colorado, where I grew up, a smaller percentage of the population gives away money than in Denver.

Giving USA reports that households with a gross income of $100,000 or less — this constitutes 92 percent of all households, according to the IRS — contribute approximately 52 percent of all giving. Households with net worth of $5 million or more, which make up 1 percent of households, contribute 28 percent of all gifts. Of course, this group also earns more than 40 percent of all income and owns more than 85 percent of all publicly traded stock, so they are not giving anywhere near what they can afford.

INDEPENDENT SECTOR's research shows that households with incomes of $65,000 or less contribute about 82 percent of all giving. This discrepancy comes largely from study methodology. *Giving USA* looks at itemized tax returns, but only 30 percent of Americans file an itemized return. The 70 percent of Americans who file a "short form" receive no tax benefits from their giving because their giving doesn't exceed the standard deduction. Extrapolating what non-itemizers give is done with an econometric model, and there is no reason to think it is wildly inaccurate. However, it is probably conservative and undercounts a lot of giving. INDEPENDENT SECTOR, on the other hand, bases their data on phone and written surveys.

Arguments can be made for and against any of the data collection methods. Do people lie on their taxes and exaggerate their giving? Probably. How much? Hard to say. Do people exaggerate their generosity to a phone surveyer? Probably. How much? Hard to say. People also underreport income on their taxes, as a number of studies have shown, and certainly people often forget how much they have given to charity when they have no incentive, such as a tax deduction, to help them remember. Possibly the exaggeraters cancel out the under-reporters. Add to that mix the fact that the rules about what is tax deductible and what is not are confusing even to nonprofits, and we can safely say that it is very difficult to know with accuracy how much money is given away every year and by whom.

The lion's share of this giving, according to all studies, goes to religion. Religious organizations also account for the majority of nonprofits in the United States. Because of the separation of church and state, religious organizations are not required to file 990 tax forms, so we don't really have an accurate picture of how much income they have or what the sources of that income are. Various methodologies make our guesses as accurate as possible, and a sizable minority of religious institutions do voluntarily file a 990. We do know that religion has lost market share over the years. When I was first in fundraising in the 1970s, gifts to religious institutions made up 50 percent of all giving; today they account for just over 30 percent. Generation X seems to be giving less to religion than previous generations did, but that may change as that generation ages.

Organizations with budgets of less than $25,000 are also not required to file a 990; since a lot of organizations are in that category, we are operating the realm of guesswork about their total incomes and sources of income.

However, from study after study, using many different methodologies, and comparing with other studies, we learn another truth: the United States is a generous country, with most people making donations and feeling good about doing so. We have a picture of middle- and lower-income donors making up a very significant percentage of all money given away, and of a constantly increasing amount of money given every year.

OTHER SOURCES OF INCOME FOR NONPROFITS

What is often surprising to many people is that the $241 billion given away in the United States is actually only 20 percent of the income of all nonprofits. Nonprofit organizations also receive about 30 percent of their income from government funding, and about another 50 percent from earned income (products, fees, interest, and so forth). About $1.3 trillion (trillion, with a TR in the front; each trillion is one million million) passed through the nonprofit sector in 2003, making nonprofits the seventh-largest economy in the world. If we were a single industry, we would be the largest industry in the United States, employing 8–10 percent of the workforce, and accounting for about 2 percent of gross domestic product.

WHAT GRASSROOTS ORGANIZATIONS NEED TO KEEP IN MIND

Here's one reason that it is useful to know just how important our whole sector is: When people make fun of us and our "do-good" ways, we can smile our do-gooder smiles, while knowing that in addition to the good that we do, we are a major economic driver of our national economy. GFJ

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

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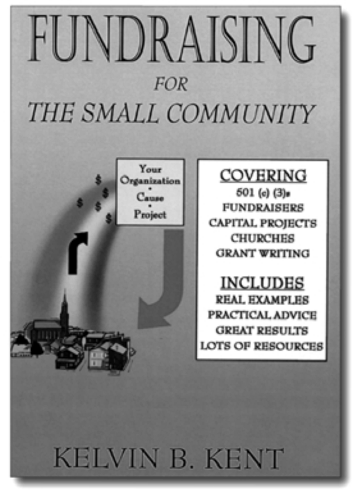

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