

*Fund Raising
Supplement
to the
Community
Organizing Manual*

Produced by:



Part I: The Fund raising Mind set

1. Recognize Your Challenges

“As an organizer I start from where the world is, as it is, not as I would like it to be. That we accept the world as it is does not in any sense weaken our desire to change it into what we believe it should be—it is necessary to begin where the world is if we are going to change it to what we think it should be.”

—Saul D. Alinsky, “Rules for Radicals” (1971)

Your problem is serious. Your solution is clear. Based on the outcome, many people are facing either an enormous benefit or a severe crisis. But you don’t have the resources you need to act and be effective. Sound familiar?

Once you have made the decision to commit the time and energy needed to develop these resources, it is important that you take stock realistically of the challenges that face you in order to overcome them:

- **Resources** You may be starting with little or no money, volunteers, or staff. As a result, you do not have a cushion that can absorb fund raising strategies that may be highly profitable, but are costly (in time or money), risky, or long term.
- **Experience** Your board of directors, volunteers, and staff are likely unfamiliar with fund raising strategies and uncomfortable with asking for money. You will have to spend time developing a strong, committed, knowledgeable group of fund raisers and a structure that supports them.
- **Name Recognition** Face it—Your group is likely not a household name. The range of funding available to a university, museum, or social service agency is a long way off. In fact, when people first hear about you, many will not understand your work and your goals. Some will disagree with you. Others will sympathize with your mission, but think it is hopeless, naive, or idealistic. You will have to spend time carefully identifying and building relationships with supporters.

2. Philanthropy in America

“The word philanthropy comes from two Greek words meaning “love of people.” In modern times, this goodwill and humanitarianism is often expressed in donations of property, money, or volunteer time to worthy causes. Similarly, the word charity comes from a Latin word meaning “love” in the sense of unconditional loving-kindness, compassion, and seeking to do good. The roots of these words remind us of the fundamental reasons for the work of most nonprofit organizations.”

—Kim Klein, “Fund raising for Social Change” (2001)

The U.S. has the largest system of organized philanthropy in the world. Why is this? It is for the very simple reason that non-governmental organizations—funded through private sources—provide many services that, in other nations, are provided by the government and funded by tax dollars. This system is so large that, if all non-profits did the same work, they would be the nation’s largest industry—employing 10 percent of the workforce and generating 5 percent of the Gross Domestic Product. There are over one million organizations recognized as tax-exempt non-profits by the Internal Revenue Service and there are several million more that are small, grass roots organizations with no formal status—including block clubs, community gardens, etc. The obvious question to ask for those seeking it is: Where then does the money come from?

- **The Big Myth** While foundations and corporations have always played a vital role in supporting non-profits, they are overrated as a source of funds. Even with steady cutbacks over the last three decades, most nonprofit funding still comes from government programs. Following government dollars, more money is given to non-profits by

individuals than all other sources combined. Every year since 1935, the American Association of Fund Raising Counsel has published the report, Giving USA. Their research shows that giving patterns have remained constant with gifts from individuals each year exceeding foundations and corporations by nine to one.

- **The Power of Individual Giving** In fact, approximately seven out of ten adults regularly make donations to non-profits. Of those, most support between five and eleven groups, contributing a little over 2 percent of their income. In addition, The Independent Sector has published findings in a book called Giving and Volunteering in the United States that 82 percent of the money given by individuals comes from families with incomes less than \$60,000. Many studies show that poor and working-class people give a larger percentage of their income than upper middle-class or wealthy individuals, which may be because the need is not only clearer to them, but something they have experienced themselves.

3. Why People Give

“If I am not for myself who is for me? And if I am only for myself, what am I? And if not now, when?”

—Hillel

People give for a variety of reasons. Many non-profits appeal to motives that are not very persuasive: “We need the money” and “Your contribution is tax deductible.” Neither reason is special either to your organization or to the potential donor. Giving is highly personal. It is central to understand people’s perspectives and above all their self interest.

Self interest is one of the most important and misunderstood concepts in social change work. It is not the same as selfishness (or self-preservation) and it is not the opposite of selflessness (or self-sacrifice). It is simply that which is important to them or motivates them. In terms of nonprofit giving, the most common reasons include:

- **Tangible Benefit** On the most basic level, making a donation gives the person access to your programs and services. Donors need the organization as much as the organization needs them. In a very important way, a donation is really a fee for work provided. In addition, sometimes donors also receive newsletters, free gifts, opportunities to win prizes, member discounts, etc.
- **Personal Relationships** People also make contributions not just to establish a relationship with your group, but also to reaffirm a relationship with other people. There may be a basis for giving in an expectation, shared identity, or even tradition within a peer group, family, or community.
- **Deeply Held Beliefs** People give fundamentally because it is consistent with their values. People give because they care about the issue, they believe in the group, and often because they or someone they know is or once was in the position of people served by your group.
- **Establishing/Reinforcing Self Image** People give because the group expresses their own ideals and enables them to reinforce their image of themselves as a principled person—“I care about other people,” “I want to make a difference,” “I am a leader in my community,” etc.
- **And, Finally, Because They Are Asked!**

4. Why Do We Need Money

“We’re not supposed to want money—even though we need it to survive—because we’ve heard that ‘money is the root of all evil.’ This, of course, is a misquote. The Bible tells us, ‘The love of money is the root of all evil.’”

—Andy Robinson, “Grass roots Grants: An Activist’s Guide to Proposal Writing” (1996)

Why do we need money? In a word: Power.

The traditional political science definition of “power” is like an equation: It is the ability of “A” to get “B” to do what “A” wants, even if “B” does not want to do it. For most people, though, the experience of “power” is more personal and often very negative. Many people feel victimized by the use of power. The classic statement of Lord Acton is often remembered as: “Power corrupts, and absolute power corrupts absolutely.” Our own negative experience of power is so pervasive, we cannot even remember the quote accurately as: “Power tends to corrupt, and absolute power corrupts absolutely.”

Like money, power is something we’re not supposed to want. It comes with a lot of fears: Will developing power corrupt me or make me seem like a bad person? Will I spend time and effort developing power only to fail? Will I be successful in support of the wrong solution and make matters worse? Can I accept that any solution comes with winners and losers and not everyone will be happy?

There is the temptation then to use a different word. But, as Mark Twain said: “The difference between the right word and the almost right word is the difference between lightening and a lightening bug.” Ultimately, if are interested in promoting social change, we are interested in altering the relations of power. We are interested in permanently changing how decisions are made.

Power comes from two sources that support and reinforce each other: organized money and organized people. With success in organizing people, you have already developed a number of resources including the skills, energy, and experience of your volunteers. Success in organizing money allows you to:

- **Organize More People** It gives you the resources to expand your existing efforts and allows you to bring in more people and to broaden your skills and experience.
- **Take on Larger Challenges** It can put you in a better position to retain and build on the momentum of your last effort so that you can move on to your next, larger campaign.
- **Alter Decision Making** Once it is clear that you have resources and are a stable, growing organization, you become the “other side” that has to be consulted in any decision.
- **Protect Victories** Any victory once won can be easily lost if no one is there to protect it. Wins can become losses based on how agencies enforce it, how courts interpret it, and if future decision-makers will reverse it.

5. What Gets You the Money

So we need the money and there are people who are interested in giving it. But what gets us the money? It’s important to think about what individuals or organizations in a position to give money are considering when they consider whether to give money to you. It could include any or all of the following reasons:

- **Issue** Do they care about what the organization does? Are your concerns also their concerns?
- **Legitimacy** Have they heard of you? Do you strike them as being well-organized and competent?
- **Word of Mouth** Are others supporting you? Do people or organizations they know support you?
- **Enthusiasm** Do you convey a sense that you are excited and committed?
- **Organizational History** Can you point to a track record of getting things done?

- **Realistic Goals** Are your goals ones that they will see as achievable? Can you deliver on what you promise?
- **Uniqueness of Organization and/or Project** Is your organization filling a unique niche important to them?
- **Staying Power** Do they see you as an organization that will sustain and grow?
- **Competence** Is your organization lead by competent people? Will their contributions be used well?

Part II: Sources of Funds

There are many ways to raise money for your issues and your organization. Each method has a variety of advantages and disadvantages. One very broad distinction that is made between different Fund raising methods is who exercises control over funding decisions: is it your organization and constituency, or is it an outside party? This is sometimes discussed as internal versus external Fund raising, or grass roots versus grass-tops Fund raising.

Grass roots Fund raising is raising money from and by your constituency. It is the most ideal. If you think about it like an organizing campaign, it accomplishes social change in three ways:

- **Win Real Victories** You have developed a constituency that is capable of setting and achieving Fund raising goals. In addition, you have raised it without outside involvement and therefore outside obligations and so you have raised money for social change work without any limits on it.
- **Give People a Sense of Their Own Power** When you involve many people in setting and reaching a Fund raising goal, you give people the sense that they have the ability not just one talented fund raiser. It also makes your organization a more stable one because its financial foundation is built on a broader range of both funders and fund raisers.
- **Change the Relations of Power** If your group develops its own internal funding base through grass roots Fund raising, it reinforces the perception of your grass roots organizing power and it makes it clear that your funding, and therefore your organization, is here to stay.

The Fundamentals of Raising Funds for Social Change

It is, however, important to develop a diverse mix of funding sources. Relying entirely on one source of funding is like building a one-legged stool. Even if it can stand on one leg, it is still inherently less stable. Some of the other ways you will want to look at raising funds are external or “grass-top” Fund raising methods. Here are some of the advantages and disadvantages:

External Sources or Grass Top Fund raising

Fund raising Type	Methods	Advantages	Disadvantages
Community and Private Foundations	Grant	<ul style="list-style-type: none"> • They are easy to approach for money since exist to be asked for money. • Grants may be large. • Grant requests cost little in time and money. • Can be a good source of start-up funds. 	<ul style="list-style-type: none"> • Only one in six requests produce funds. • Decision-making time line can be long. • Funding is based on the priorities of the foundation not your members. • Foundations often have limits that prevent ongoing funding.
Corporations	Grant	<ul style="list-style-type: none"> • They have money. 	<ul style="list-style-type: none"> • Typically small amounts. • Rarely ongoing support. • Usually require substantial publicity in return. • May be on the wrong side of your issues.
Government	Grant	<ul style="list-style-type: none"> • May be very large. • May be easy to get if you perform a service the government wants to fund. 	<ul style="list-style-type: none"> • Typically many restrictions. • Typically burdensome reporting requirements. • Notoriously unstable.
Religious Institutions, Service Clubs & Small Businesses	Donation, second collection, percent of sales, etc.	<ul style="list-style-type: none"> • Their decision-making process is often short and simple. 	<ul style="list-style-type: none"> • Typically small amounts. • Rarely ongoing support.

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Internal Sources or Grass roots Fund raising

Fund raising Type	Methods	Advantages	Disadvantages
Membership	Member dues	<ul style="list-style-type: none"> • Provides leaders and volunteers. • Maintains political base of support. • Typically a stable base of income. • Provides potential individual donors and event attendees. 	<ul style="list-style-type: none"> • People don't like to ask. • Takes a long time to build a base. • Requires significant time and money. • Requires newsletter or other services in return. • Requires membership list maintenance system.
Individual Donors	Small donor, major donor, bequests, door-to-door canvassing, phone-a-thon, internet, direct mail, challenge campaign, pass the hat, etc.	<ul style="list-style-type: none"> • Deepens connection to members. • High likelihood of success. • High return on investment. • Likely long-term source of support. 	<ul style="list-style-type: none"> • People don't like to ask. • Requires maintaining relationships.
Fund raising Events	Bingo, bowl-a-thons, dinners, benefit concerts or performances, house party, etc.	<ul style="list-style-type: none"> • Large volunteer participation. • Opportunity for public outreach. • Chance to establish a tradition. • "Doesn't feel like begging." 	<ul style="list-style-type: none"> • Often little return for investment of time and money. • Can burn out volunteers, who then avoid other Fund raising activities.
Fund raisers	Fund raising walk, raffles, garage sales, bake sales, silent auction, change jars, recycling donations, etc.	<ul style="list-style-type: none"> • Large volunteer participation. • Opportunity for public outreach. • Chance to establish a tradition. • "Doesn't feel like begging." 	Often earn small amounts.
Workplace Donors	United Way, Community Shares USA, etc.	—	—

Fund raising Type	Methods	Advantages	Disadvantages
Earned Income	Contracts, fees, newsletter ads/ ad books, speaking fees, sell merchandise, etc.	—	—
In-Kind Contribution	Furniture, equipment, supplies, services, time, etc.	—	—

Section III: How to Raise Funds

1. Foundation Grants

Foundations may offer one type or several different types of grants. You need to clearly identify the type of grant you are applying for when you begin to develop a proposal. Many foundations offer only “program” or “project” grants. For these types of grants, you will be required to identify either a broad, ongoing area of your work that is defined by the issues you address (i.e. a program), or a narrowly defined set of activities with specific, measurable outcomes, and a beginning and ending date (i.e. a project). “General support” grants are less available, but do exist. When they are available, they can be a good source of funds for broader organizational, leadership, and issue development. You may also be able to identify some “matching or challenge” grants that can be used to support your efforts to diversifying your funding by matching money raised through other methods, such as membership dues, Fund raising events, and individual donor campaigns.

The first step in submitting a grant proposal is collecting your thoughts. Before you do anything else, you will want to start by developing a “case statement” that explains why your organization exists, what need it was set up to meet, how it wants to meet this need, and its capacity to do so. The goal is to provide a complete picture, but to be clear and relatively brief. Foundations often impose very tight limits on the number of pages. The following is a basic outline similar to many used by foundations:

- **Statement of Mission** Why does your organization exist?
- **Description of Goals** What will you do about why your organization exists?
- **List of Specific, Measurable, and Time-Limited Objectives** How will you accomplish your goals?
- **Summary of the Organization’s History** Do you have a track record showing accomplishments?
- **Structure of the Organization** How is your membership and governance consistent with your goals?
- **Fund raising Strategy / Plan, Financial Statement & Budget** How are your expenses consistent with your mission and how will resources be managed sustainably?

Steps for Developing a Grant Proposal:

- **Research** There are over 60,000 private and community foundations in the United States. You could just play the numbers and send out lots of proposals assuming that some will be funded. This will cost you a lot of time and at least some money. You will want to narrow the scope to those foundations that are your most likely prospects. Some of the most important considerations are what geographic area they serve, what are their areas of interest, what is their typical grant size, and what types of groups they have previously supported. Foundation directories, in both printed and electronic, are available for sale and at many public libraries. Much of this information is also available online through both web-based directories and the foundations own web sites. You can also answer some of these questions by looking at the newsletter, annual reports, or web sites of similar groups to find out who is funding them.
- **Contact** Once you have identified a manageable list of target foundations, you will want to contact them to obtain or verify that there has not been a substantial change to their focus areas. You will also want to ask about or verify the application process, deadlines, contact person, etc. In some cases, a foundation may actually require a telephone inquiry prior to submission of a proposal. Foundation staff are often very friendly and contacting them before you submit a proposal is also your opportunity to get some advice on submitting a request.
- **Letter of Intent** Many foundations will ask you to send a short “letter of intent”, which is often limited to 1 or 2 pages. This allows both you and the foundation to determine whether you are a general match before time is invested in a detailed proposal. You should send the letter on letterhead to a specific identified contact with the foundation. If you have done a good job with your initial case statement, you should have something to use as a good resource. The key elements in the letter are: (1) who you are (your group, who you serve, where you are located, and when you were established); (2) what you propose to do (your project, your capacities to conduct the project, why it is needed, who it will serve, what outcomes you expect, and the project budget); (3) what you are asking for (what type of grant and for what dollar amount); and (4) follow up (thank them for their time and attention and ask if you might submit a full proposal).
- **Proposal** If the foundation welcomes a full proposal, you can begin to expand on the your initial case statement and possibly your letter of intent. Make sure that you are using the proper format for this proposal. Make sure that you understand and follow the foundation’s established guidelines, but also make sure that you are making it easy on the eyes—use a large, readable font; number and label the pages; include margins and spacing; etc. The basic components of a grant proposal are:
 - **Cover Letter** This is the first thing that the foundation staff will read, but the last thing you will write. It provides a brief reminder of previous contact or support, your mission, your proposal, how it meets the foundation’s guidelines and interests, and the amount you are requesting.
 - **Cover Page and Executive Summary** Many foundations require a cover sheet or summary that includes basic information like title of the project, submission date, beginning and ending dates for the project, total project budget, amount requested, contact persons and phone numbers for your organization, and a brief summary describing the need and your proposed activities to address this need (normally two paragraphs).
 - **Organization History** Describe your mission, your constituency, your goals, your accomplishments, and when you were formed. Emphasize the aspects of your work that relate to your proposed project.

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- **Problem Statement** Describe the need you have identified, what problems produced that need, and any other relevant background. If you can use specific stories to illustrate the larger problem do so.
- **Program Goals and Objectives** Identify what you hope to achieve. “Goals” restate the need your group seeks to address (i.e. manufactured home parks are at risk for redevelopment). “Objectives” are the measurable outcomes (i.e. preserve up to six at-risk communities each year).
- **Strategy and Implementation** Identify how you are going to meet your goals and objectives. This should your nuts-and-bolts methods (i.e. monitor at-risk parks, conduct outreach to threaten home owners, recruit housing preservation groups, etc.).
- **Timeline** Develop a timeline with deadlines or benchmarks to indicate when you will employ strategies or meet objectives.
- **Evaluation** Indicate how you will define and measure your success or failure. This should be clear if you have identified measurable objectives and specific strategies. You should find ways to quantify your project. You should also talk about how you will learn from and build on the work in your proposal.
- **Personnel** The foundation may ask for brief biographies, or even resumes, for key board members, staff, or project volunteer leaders.
- **Budgets** You will need to submit an annual budget for your organization. If you are submitting a project grant, you will also need to submit a project budget. The budget should include both expenses as well as all funding being sought.
- **Attachments** Foundations often require additional materials with your grant request. The most common requests are for a copy of your Internal Revenue Service tax-exemption letter; a list of your board members; and a recent financial statement.
- **Site Visit** Foundations will often conduct an initial screening of grant requests to eliminate some proposals before they have any further contact with you. If you make it through this initial screening most foundations will set up an in-person meeting to further discuss and explore your proposal. This may be at their office, your office, or in a setting where your work goes on. You may meet with a member of the foundation’s staff, board, or grant committee. This is your chance to see your group, staff, leaders, and programs in action. Think about how you can best talk about and show the work that you are doing and the impact it is having on people.
- **Implement** Congratulations! You got the grant. Now you have reached the hard part. You have to effectively run a project, responsibly manage funds, and regularly update the foundation. Make sure that you are periodically reviewing your progress against your original project proposal. Even if it is not required (and it some times is), acknowledge the grant makers in your publications and on your web site.
- **Report** Nearly all foundations will request written reports. This will include at least a final report at the end of the project. It may also include an interim report at some mid-point in the grant. This will include both programmatic and financial reports. The foundation will provide you with instructions on how to submit the report and what to include in it. Make your reporting easier by setting up tracking and record keeping systems, saving media coverage and materials, etc.
- **Renew** If you manage the project well and get the work done, you will find it easier to raise money in the future. If you do a bad job, you may not be considered for future

funding and, even worse, could develop a reputation that spreads to other funders. If you used properly, funding from one foundation can be used as leverage to seek additional grants from other funders. So, strike while the iron is hot. Take advantage of the fact that other grant makers can now see that your proposed project is in operation and attracting support.

2. Membership Program

In Fund raising terms, membership programs are the base upon which you build other Fund raising appeals. Your members are the pool of people most strongly affiliated with you, and it's usually among them that you find your donors in other Fund raising efforts. So membership programs are a logical step towards a larger program to raise money from individuals.

Membership programs can also affect your organization's governance. In some groups, members are treated simply as "small donor" contributors. In others, members have voting rights and are the ultimate "owners" of the organization. The rights and responsibilities vary from group to group, but in Fund raising terms, these members are the base upon which organizations build their Fund raising from individuals.

A membership program especially benefits groups that need to:

- **Represent a constituency** Membership helps to show that your constituency supports the organization and its purpose, contributes, and influences the organization's direction. When you have a large membership, observers know they need to pay attention to your group.
- **Mobilize citizens to become involved** Your membership is the most obvious source of potential volunteers and leaders.
- **Inform constituents about issues and build a base of support** Through meetings and mailings, the members can learn about the issues and take on leadership roles.
- **Rely on supporters for financial support** A membership program, with its dues and subsequent Fund raising appeals, is a first step toward identifying a regular base of individual donors.
- **Draw its leaders from the grass roots** Membership is a good first step to identifying potential new leaders.

How to Manage Your Membership Program:

In general, a good membership program has a clear plan including a plan for using your campaigns and programs to build your membership. Some general criteria for measuring the effectiveness of your membership plan, include:

- Attracts members or contributors who are committed to your issues.
- Provides members with opportunities to become actively involved with issues and programs.
- Brings in enough members to provide significant support, both financial and otherwise.
- Builds a long-term relationship with members, both as contributors and as leaders.
- Retains most members from year to year. (The average annual renewal rate is 70%.)
- Recruits enough new members to cover those lost through attrition. (Generally, between 25% and 40% of total membership is lost each year.)
- Provides members with opportunities to increase their financial support.
- Nurtures new leaders and produces candidates for the organization's board of directors.

- Can be efficiently managed and maintained.
- Doesn't waste the group's resources or become an undo drain on resources.
- The following are some basic steps that should be followed with each member:
- Ask them to join around specific issues and actions.
- Thank them for their support and welcome them to your organization.
- Get all of their contact information, including phone number and e-mail address.
- Enter their information into a standardized and regularly updated membership list.
- Send them a membership packet promptly.
- Provide them with regular updates on the organization and the issues, including a newsletter.
- Contact them about renewing their membership during the month before it elapses.
- Standard Presentation on Membership:

Whether it is being made to a large group at a meeting, an individual at their door, there are standard elements that are important to cover in a membership presentation in order to instill it with context and urgency:

- **Introduction** Provide your name, your organization's name, and a one sentence description of your group.
- **Thanks & Update** If they are a current member, thank them for their support and mention one or two victories that their support made possible during the last year.
- **Purpose** Explain in one sentence the challenge that your organization is making the primary focus of its efforts right now.
- **Problem** In two or three sentences, provide background on the problem.
- **Solution** In one or two sentences, explain what decision maker you are targeting to fix the problem and what it is that you want them to do.
- **Urgency** In two or three sentences, explain the challenges that you face in getting the decision makers to listen and to act as they should.
- **Membership** Explain that the best way to support this campaign is join your group (or renew their membership) because this gives your organization the political and financial support to win.
- **Conclusion** Thank them for joining and explain that they will receive as a member (membership packet, newsletter, issue updates, etc.).

3. Individual Donor Fund raising

There are many ways to raise money for your issues and your organization. If an important distinction for you is who exercises control over funding decisions is it your organization and constituency, or is it an outside party then grass roots Fund raising, or raising money from and by your constituency, is the most ideal for you. In Fund raising terms, membership programs are the base for individual donor Fund raising, but it is only the beginning. The following are some general steps you will need to repeat:

- **Build (and Keep Building) the Base** The primary method for building your individual donor Fund raising is through a good membership program; although there are other methods, such as Fund raising events that will be discussed in the next sections. A good membership program includes an immediate thank-you for joining, regular

communication that includes ways to become more involved, and a prompt renewal. It recognizes that many first-time members will not renew and it makes a sustained effort to bring in an expanding number of new members. It also has a very clear understanding of why people join, both the reasons that tangible (i.e. newsletter, issue updates, etc.) and intangible (i.e. feeling connected, building power, etc.). Some of the common ways to encourage first-time members to join as well as to renew them and to increase their donor contributions include:

- **Promotional Items** Many established organizations will use promotional items to draw in first time members, such as pens, key chains, bumper stickers, etc. These items do come with a cost (although it is some times very small), but they can serve as a reminder of your organization and can help to reinforce their identity as a member.
- **Benefits** The most common benefit is a newsletter, but organizations some times offer discount cards or access to preferred providers that offer lower costs to your organization's members. An organization that intends to have a large donor base must establish a workable benefits program. The value of a benefits program is that it is a tangible way of demonstrating that the relationship you established with your member is reciprocal. It also fulfills their unstated assumption as an American consumer: 'I gave you something, I should get something tangible in return.' There are two basic guidelines for choosing benefits for donors: (1) the cost of fulfilling this benefit (both producing it and sending it); and (2) the likelihood that you can continue to offer this benefit (you can always add benefits but it is harder to take them away from members that have come to expect them). The offer of increasing benefits with higher contributions can also be a way to increase your individual donor Fund raising.
- **Premiums** Premiums are additional promotion items offered to donors who contribute within a specific period of time. Often they are provided toward the end of the year, when an organization is working to meet its Fund raising goals or right before a major organizational event. They can be items similar to what you provide as a promotional item or they might be free passes to an event.
- **Analyze Your Members** To build your donor base, you must periodically analyze the makeup of your membership to understand what kind of people are joining and why. This process will be made easier if you track certain types of information as part of your membership records, including: when they joined, how they were asked, who asked them, what is a key value for them, and what is a key issue or program for them. This will give you some insight into both recruiting new members as well as retaining (or even increasing the support from) the ones you have now.
- **Move Them Up** The goal with individual donor Fund raising is always to "move them up." Generally, donors over a relatively short period of time either "move up" or "move on." Individuals rarely give the maximum amount of support they can afford on the very first contribution. They are making the rational choice to make a smaller investment at first in order to see what kind of return it will get. If you conducting a good membership program (i.e. prompt thank-you's, regular communication, etc.), you are proving to be a good return and can reasonably expect an increased investment in the organization as the relationship grows. There is usually a four step process that you are trying to move members through: (1) a first spontaneous donation when they become a member; (2) a repeated donation of the same amount for another Fund raising activity; (3) a renewal of their membership; and (4) an increase in the size of their contributions, both for membership and other Fund raising.

- **Donor Methods** There are a variety of methods for building members into ongoing donors, such as:
 - **Direct Mail** One of the most common methods is to use a personally addressed solicitation or “direct mail.” It is important recognize the need to stand out when you rely on mailings to renew your members and solicit additional contributions. Of all the mail sent in the U.S., 40% goes to households and 40% of household mail is “direct mail.” This translates to one in six pieces of mail being a personally addressed solicitation. It is the least expensive way (in both time and money) to reach the most people. A well-designed and well-written direct mailing can give your members some tangible with in-depth information that they can hold in their hand and review on their schedule. You may decide that you want to use direct mail as a way of bringing in new members by mailing to people you don’t have as members (i.e. a “cold list”), but, if you do, you should view this as a long-term Fund raising strategy. With a cold list, you are likely to break even the first time and only make money through a subsequent mailing to those who gave the first time. A successful direct mailing typically has four parts:
 - **The Carrier (Outside) Envelope** Many mailings fail because although the letter is effectively written, it is in an envelope that goes unopened. If you have the time, the most effective method is to make the envelope very personal: hand write the address; stamp rather than meter the postage; and use a specific person in the return address rather than just the organization’s name. If you don’t have the time to make it that personal, you may still want to include a “teaser” on the outside of the envelop (text or picture) that is intriguing or produces an emotional response.
 - **The Letter** The function of the letter is simply to catch the reader’s attention long enough for the person to decide to give. As with the outside envelope, your first goal with the letter should be to make it personal. If it’s not personally addressed to them, you may already have lost the reader. The reader will likely devote little time to reading the letter. In which case, it is more important that it be easy to look at and short rather than brilliantly written and profound. In general, your letter needs to tell them why they should care and what you want from them. They have also been well-trained by sales pitches to know that the key parts of the message to pay attention to are the first thing (why you’re there) and last thing (what you want from them). Often people will read the first and last paragraphs first in order to get an idea of whether the letter is worth their time. So, pay particular attention to the beginning and the end.
 - **The Return Card** It is important to include a card for people to return with their contribution. It makes it clear the action you want them to take. They are unlikely to sit right down and write a check, so it also serves as a handy reminder later on when they are paying bills. It is important sure that this return card has a very brief restatement of your appeal (so they remember why it is important to give) as well as your return address, in the event it gets separated from the mailing.

- ***The Return Envelope*** Don't underestimate the power of convenience. The number of responses you get will increase significantly if you include a self-addressed reply envelope. If you have the budget to pre-stamp the envelopes or set up a business reply envelope (BRE) account, this will also significantly boost your responses.
- ***Phone-A-Thon*** People complain about the disruption of Fund raising calls, but they work. They are more direct and personal than direct mail and, as a result, they produce greater results. The costs include some toll-call charges, food and drinks for callers, and follow up mailings. The basic steps for a phone-a-thon are:
 - ***Prepare the list of people who will be called*** This can include current or lapsed members, people who attended meetings, allies, friends, etc. Make sure you have prepared calling lists that include the information you feel is relevant (i.e. relationship to the group, previous contributions, etc.). You should also have a form or coding system prepare to keep track of when calls were made, who made them, if the person was contacted or if a message was left, if they plan to contribute, and if they want more information.
 - ***Determine number of volunteers and phones needed*** You can assume that a motivated caller can attempt 40 phone calls per hour and that they will actually reach 15 people per hour. They are not likely to want to call for more than two hours. Once you have your calling list, you can figure out how many two-hour shifts you will need to schedule and therefore how many callers you will need. Make sure that you have lined up the proper number of phones.
 - ***Schedule a phone-a-thon*** Plan for calling as a group activity to make the calling more social and fun. This can help to boost morale and energy, which will hopefully translate in the phone calls. Schedule a time that works for your callers, but also one when you are most likely to reach people (Tuesday, Wednesday, or Thursday between 6:00 p.m. and 9:00 p.m.), but also isn't likely to conflict with some other major event (i.e. the Super Bowl, Halloween, etc.).
 - ***Write a script for callers to read as they phone*** Generally, callers will develop their own style for talking with people after the first couple of calls. They will feel more secure on those initial calls if you provide them with a basic script. This script could look very similar to the membership presentation that was described earlier.
 - ***Prepare three follow up letters and appropriate enclosures*** It is important that you follow up immediately with people after the calls. You will want to have sample letters ready (with the appropriate enclosures) based on three possibilities: (1) you reached them and they agreed to contribute, which means you want to send them a reminder with a return card and return envelope; (2) you could not reach them after a couple of attempts, which means you will send them a standard direct mail; or (3) they requested additional information about your group.

The Fundamentals of Raising Funds for Social Change

- **One-on-One Meeting** Since the most effective way to raise funds is face to face, preparing for and conducting a successful meeting with a donor is important. Make sure you understand why you are asking them for a contribution in light of your group's issues and programs. Why is their contribution important? Make sure you understand why they are likely to contribute. What is in their self-interest? Why have they contributed before? In general, the meeting should go as follows:
 - **Establish a rapport** Stress the values you share, the common relationships, etc.
 - **Make the case for your organization** The need you address, your successes, etc.
 - **Ask for the contribution** Ask for a specific amount or a specific range.
 - **BE QUIET** Don't feel like you need to keep talking or they'll say "no." Let them answer.
 - **Respond to the questions or objections they ask** If they raise concerns about the amount or the timing or needing more information, respond to the questions they ask, but also offer alternatives (i.e. a smaller amount, a post-dated check, a follow-up visit with more info, etc.).
 - **Wrap up and follow up** Restate any agreements reached or commitments made during the meeting. Make sure to follow through.

4. Fund raising Events

- **Many people have participated in some kind of Fund raising event** an annual dinner, bake sale, walk-a-thon, raffle, etc. These events are designed to raise a small amount of money from a large number of people, rather than large amounts from a small number of foundations, wealthy donors, or corporations. Often people who give money are initially moved to do so because they feel they are getting something directly in return for their gift—food, entertainment, learning, social interaction, a chance to win something, etc. In reality, they are giving to your organization or cause. The event provides a reason for them to give at that time. An added bonus is that this kind of direct return makes it easier for board members, leaders, and volunteers to ask for support. It's important to clearly understand why you choose to use Fund raising events before you commit to them.

Events are good Fund raising tools because...	They help build your leaders' skills. They increase the number of supporters. They publicize the organization to the community.
Events aren't good Fund raising tools because...	They take a lot of effort. They usually have significant financial costs. They might not make much money.
Good reasons to choose Fund raising events:	It can attract lots of people. It can provide you with greater visibility. It brings in new donors and additional contributions.
Bad reasons to choose Fund raising events:	Unlike other Fund raising, it feels "less like begging." It gives you an activity for new members and leaders. You've always done it.

For your organization, there are specific benefits to Fund raising events. They are an excellent strategy for acquiring, retaining, or upgrading donors. If your organization is serious about building a broad base of individual donors, you need to consider having at least one or two Fund raising events each year. These events provide:

- **Diversity** It creates another source for funding.
- **People Power** It can develop leaders by giving them experience, skills, and confidence.
- **Ownership** It makes Fund raising everyone's responsibility and, with each request, it becomes more comfortable.
- **Community** It can create fun, involve more people, and generate more public awareness.

There are a wide variety of types of Fund raising events. In selecting the right event for your organization, you should consider several criteria, including the appropriateness of the event, the image reflected in the community by the event, the amount of volunteer energy required, the amount of front money needed, the repeatability of the event, the timing of the event, and how the event fits into the organization's big picture.

Some of the many types of Fund raising events and activities include:

- Ad Book
- Auction
- Bake Sale
- Benefits
- Bike-a-thon
- Bingo
- Block Party
- Book Sale
- Bowling Party
- Car Wash
- Concert
- Craft Sales
- Dinners
- Food Tasting
- Holiday Party
- House Party
- Marathons
- Pass the Hat
- Picnics
- Raffle
- Recycling Drive
- Rummage Sales
- Sporting Events
- Walk-a-thon

How to Plan a Fund raising Event:

Fund raising events require more planning time than one would imagine. The simplest event often requires at least a month to prepare and more complex events can take six months or more. Because so much can go wrong and because many things often hinge on one another, events must be planned with more attention to detail than almost any other Fund raising strategy. Regardless of the event you select, here are some basics for planning a successful, and repeatable, event:

- **Set up a planning committee** You will need a small committee of volunteers to oversee the work for the event. The job of the committee is to plan and coordinate the event, not to do every task. After planning the event, most of the committee's work is delegating as many tasks as possible. Each Fund raising event should have its own committee, although there can be overlap from one event to another. Events are labor intensive, however, and people need to have a break between events.
- **Develop a master task list** On a piece of paper, make four columns labeled: what, when, who, and done. Under "what," list all the tasks the need to be accomplished, including those that you think are obvious so that they don't get overlooked. Under "when," identify when each task must be completed and then reorganize the list in chronological order. Under "who," assign a specific person to each task or it will not get done. Under "done," note the date that the task was completed.

- **Prepare a budget** On a piece of paper, create an “income” and “expense” list. Look at the master task list. Put anything that will cost money on the expense list and any ways you intend to raise money under the income list. Create a column for your best “estimate” of the likely cost or income. When you have listed everything, subtract the expenses from the income to figure the projected “net income.” If this amount seems reasonable for the amount of work you will be doing, this is now your financial goal. Now, add an “actual” column and track the income and expenses on an ongoing basis. Keep a watchful eye on any expenses that seem to grow or any income that seems to lag behind.
- **Create a timeline** To ensure that you have thought of everything that should be done and that you have allowed enough time to do it, you should think backward from the target date for your event. This will force you to review what step has to take place before the next one. You may discover that when you account for all the steps that need to be taken that it is impossible to hold the event on your target date. In that case, you have to either change the date or change the event.

5. Corporate Fund raising

Many corporations have a related foundation. It may have been set up to promote the companies values, image, or just to provide a tax write. Fund raising from corporate foundations can be pursued in the same way that you could seek grants from other private or community-based foundations. This information was provided earlier. It is not, however, the only option for raising funds from corporations. These entities often spend ten times the amount they give out through their affiliated foundations on general advertising and marketing. Corporations will tap into these other larger sources of funds if they see a partnership with your group as benefiting their company’s interests.

More and more nonprofit organizations are looking to break into this market-oriented Fund raising. There are three primary ways in which this takes place:

- **Event Sponsorship** The most common arrangement is for the company to connect their name with an event. This can include a financial contribution, donated goods, and/or assistance in promoting the event in exchange for publicity that the company sees as a benefit to its image and marketing.
- **Cause-related Marketing** The way this partnership usually works is that a company makes a small donation to your cause each time the company’s produce or service is sold during a specific period of time. This could range from a portion of sales at a store to the use of services at a travel company.
- **Licensing** This kind of partnership involves a more direct and potentially long-term relationship since it would involve licensing the use of your organization’s name in connection with the promotion of a company’s product.

There are of course ethical concerns in forming these kinds of partners. Will the companies unfairly exploit your good deeds to sell their goods and services? Do these partnerships threaten your traditional sources of funding by changing your image or calling your independence into question? The following are some questions to ask to figure out if this is the right Fund raising strategy for your organization:

- Does the corporate offer qualify as a tax-deductible contribution?
- Is it a no-strings-attached offer of outright support from a corporation’s budget for marketing, advertising, or public relations?
- Does the offer provide a profit for the corporation making it a contribution, but a share in profits?

- Could the offer weaken your organization's case for support from the public or foundations?
- Could the offer blur the distinction between your charitable role and the company's for-project role?
- Could the offer increase sales of a product or service considered harmful to the public?

If you decide to go forward with a corporate Fund raising strategy, you can start this process by identifying a contact with a company and submitting a proposal letter. The letter should generally include:

- **Addressee** Direct this to a specific person, either someone you spoke with or the official contact person.
- **Introduction** State the type of partnership you are interested in pursuing. In a brief phrase, describe the event, marketing, or licensing project.
- **Focusing** Explain why you have applied to their company in particular.
- **The Need** In one or two sentences, describe the need that this project will help to serve. Use one well-chosen statistic to demonstrate the need.
- **Your Solution** In three or four sentences, outline the project as a solution to that need, including one or two measurable outcomes.
- **Constituency Benefit** Describe how your constituents and not your organization will benefit.
- **Uniqueness** Point out how your organization and your work is unique based (i.e. issue, geographic area, etc.).
- **Budget** Provide the total budget.
- **Your Request** State your funding request. Indicate other support you have received.
- **Closing** Request a time to meet or to submit a full-scale proposal.

6. Workplace Campaigns

Payroll deduction programs can be one of the efficient and effective methods of raising funds. Through a workplace solicitation program, employees specify how much money they want to donate each pay period and that amount is deducted from their paycheck by their employer. There are several ways that your organization can benefit from payroll deduction programs, including becoming a beneficiary of the United Way, the pioneer of this kind of Fund raising, or of one of the other alternative funds in your area. Or, if your group isn't affiliated with one of these funds, you can still seek funds through what is known as a "donor option plan." Here are your organization's options:

- **United Way** They are the oldest, largest, and most powerful of these workplace funds. As a result, your organization may want to start by applying for funding through United Way before pursuing any alternative workplace solicitation program. You can get more information and application forms from your local United Way. There are some difficulties with the United Way. They emphasize social service over social change. However, if you are accepted, you can count on a significant and steady source of funds. If you are not acceptable, this may strengthen your case when approaching another program.
- **Alternative Funds** If your organization cannot or does not wish to receive United Way funding but still wishes to pursue payroll deduction Fund raising, there are a variety of

alternative funds. These funds often include a broader range of organizations and have a stronger social change focus. You can discover if there is another fund in your area by contacting the Alliance for Choice in Giving at: 217-761-1110, www.nacg.org, or P.O. Box 4572, Portland, ME 04112.

- ***Donor Option Plan*** In some communities, the United Way, and some of the some alternative funds, provide the option for employees to make payroll deduction contributions to other non-profits that are not affiliated organizations. The United Way does not promote this program (and asks local groups not to advertise or solicit contributions through it), but it still accounts for 20% of their workplace contributions.

