

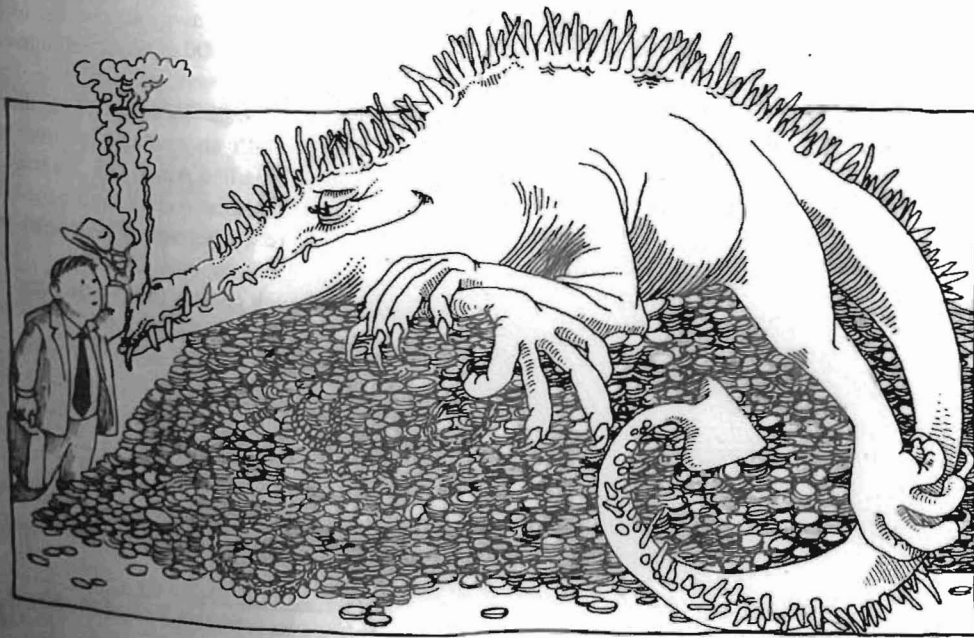
Chapter 7

Giving from Individuals: An Overview

Years ago, my mother taught me that there are three kinds of people in this world. One kind of person goes through life and leaves nothing behind. Not even their name. Another kind of person does bad things to people. And another kind of person leaves life just a little bit better than they found it. How could I let my mother down?

—Nelson Mandela

Rooted in the religious and cultural traditions of societies the world over, the inclination of individuals to give cash and material goods has made them the largest source of contributions to nonprofits. It is the support of individuals that enables organizations to be born, and provides the



substance and credibility they will often need to secure funding from foundations, corporations, and other institutions.

The following chapters in this part of the book—Approaching Individuals for Support—discuss the seven most important ways of soliciting gifts from individuals: special events, direct mail, telephoning, face-to-face solicitation, planned giving programs, using the Internet, and earned and venture initiatives.

The Magnitude of Individual Giving

Giving USA's 2000 annual report concludes that individuals give the most charitable dollars year in and year out: \$159.32 billion to U.S. nonprofit organizations in 1999—84 percent of all charitable gifts made that year. In Canada, the figure was approximately 80 percent. In 1995, Independent Sector (“a national leadership forum working to encourage giving, volunteering, not-for-profit initiative, and citizen action”) reported that approximately 70 percent of all Americans made a charitable contribution during the previous year; in the same year, eight out of ten Canadians gave almost Can\$15 billion. In the Netherlands, a country where one of the world’s highest tax rates sharply reduces disposable income, nine out of every ten people still made charitable contributions.

Equally impressive—and surprising—is the data on individual donors’ income. While “Lords and Ladies Bountiful” still exist, the wealthy do not give the most. In fact, 1994 estimates suggest that individuals with household incomes below \$60,000 made 82.6 percent of all individual gifts that year. Households with incomes of less than \$10,000 gave away an average of 4 percent of their income, whereas families whose income exceeded \$100,000 gave an average of 3.4 percent.¹

Canadian statistics tell a similar story. Households with average incomes exceeding Can\$110,000 donated 2.9 percent of their income; households with an average income of \$13,000 donated 4.6 percent. Jim Stanford, an economist with the Canadian Autoworkers, notes, “A similar trend is visible across provinces. No province gives more generously than hard-hit Saskatchewan, where donations from the average household were 40 percent higher than in Ontario, where personal incomes are the highest in Canada.”

The actual amount of money individuals give away is in fact much greater than these figures indicate. Millions of dollars are given away in cash every year to door-to-door solicitors; to church, mosque, and synagogue collections; to volunteer firefighters collecting money at busy intersections; and to veteran’s groups selling paper flowers to workers on their lunch breaks. And if charitable intent could be measured, the numbers would rise even higher; significant amounts are given away in quarters and dollar bills to homeless people in the street, and by family members to their less well-off relatives.

In the last ten years, however, there has been a precipitous decline in the number of people making contributions in the United States and Canada. In 1987, when the first edition of this

1. Virginia A. Hodgkinson and Murray S. Weitzman, eds., *Giving and Volunteering in the United States* (Washington, D.C.: Independent Sector, 1994).

book was published, a Gallup poll commissioned by Independent Sector, the National Society of Fund Raising Executives, and the 501(c)(3) Group showed that 86 percent of all Americans made charitable contributions. Eight years later, Virginia Hodgkinson, then vice president for research at the Independent Sector, reported that four million fewer households had made donations in 1994 than in 1993. And according to journalist Andre Picard, writing for *The Star*, "Canadians give less to charity today than they did in 1984, and the number of people making donations has fallen steadily since 1990." It is not yet clear if this is a worldwide trend, but it is certainly one that U.S. and Canadian nonprofits must monitor.

Hodgkinson attributed much of this decrease to organizations' overemphasis on soliciting "mega gifts," and to the publicity such gifts create. She reasoned that mega gifts have made smaller donors feel insignificant and have catalyzed the decline in the number of people being asked. Her survey further reported that only 60 percent of Americans were asked for money in 1995—17 percent fewer than were asked in 1994. The silver lining in this news, however, is that 78 percent of the (mostly younger) people who had never been solicited responded positively, as compared to 70 percent of the population as a whole.

What emerges from these statistics is the fact that individuals are still the driving force in philanthropy, whatever the size or frequency of their gifts. They are the source, year in and year out, of 80 to 90 percent of the charitable dollars given. Individuals make contributions to nonprofit organizations in a number of ways.

- They give cash to door-to-door canvassers soliciting on behalf of the local volunteer fire department, a public interest campaign, health charity, or the like.
- They attend movie premieres, theater parties, dances, dinners, and other special fundraising events.
- They respond to letters (direct mail appeals) and telephone calls (phonathons) that reach them at their homes.
- They give large gifts when asked personally by someone from an organization that has earned their trust.
- They write their favorite organizations into their wills, designate them as recipients of their property after their death, and participate in other forms of planned giving.
- They purchase second-hand or homemade clothing and household items at thrift shops, bazaars, tag sales, garage sales, or auctions, and they purchase greeting cards, calendars, cookies, and other products sold by nonprofits. (These methods are discussed further in Chapter 8, Special Events, and in Chapter 14, Earned and Venture Income.)
- They give via the Internet by responding to appeals sent by e-mail and by joining organizations whose Web sites they've visited.
- They give their time by volunteering. While not strictly a cash gift, volunteering benefits an organization in many ways.

This list of the ways individuals contribute suggests an overall fundraising strategy that applies to almost all nonprofits, and raises the question, "How should I approach the many and diverse individuals who may support my organization?"

The base of most organizations' support is their membership—the large number of donors who make relatively modest contributions each year, usually to an annual fund appeal. Almost every individual whose first gift to an organization is less than \$250 becomes a prospect for the annual fund campaign. The annual fund campaign is an essential element, perhaps *the* essential element, in an organization's development plan because of its ability to expand the donor base and identify prospects for larger and planned gifts—this, in addition to generating contributions. The campaign can be accomplished by direct mail, personal contact, a phonathon, or a combination of all these methods. Fundraisers would do well to concentrate on building this base of support instead of hoping for an immense gift from one individual that would solve an organization's financial problems forever, or theorizing that one dollar from every member of a community would do the same.

The Ladder of Effective Communication

Face-to-face conversation
 small group discussion
 telephone conversation
 handwritten letter
 word processed letter
 e-mail
 fax
 large group discussion
 video
 mass-produced letter
 "list serve" e-mail
 brochure/pamphlet
 news item
 advertisement

Message 1: Always use the highest rung you can when asking for money.

Message 2: Don't count on publicity to raise money.

Message 3: Don't expect a big response when a board member simply writes to his corporate friends.

Source: Harvard Business Review. An exhibit from "What You Need to Know about Fund Raising," by Fisher Howe (March/April 1985). Amended by Fisher Howe and Michael Seltzer (March 1999).

Organizations often set up gift clubs to induce individuals to “graduate” from making modest yearly contributions to giving more, thereby becoming members of a President’s Circle or, in the case of a symphony orchestra, a Conductor’s Club. In return for making larger annual gifts (\$1,000, \$2,500, or \$5,000, for example), club members are invited to exclusive events, acknowledged in an organization’s printed materials, and generally made to feel “special.”

Some club members, and others, may become so committed to your organization that they become prospects for a major gift. After they have been carefully cultivated and researched, they can be asked in person for a substantial contribution or pledge to support a specific program, to memorialize someone by making a “naming gift,” or to provide the general, unrestricted operating support that is the financial lifeblood of an organization.

The essence of this strategy is to build a broad base of support and then identify individuals to build relationships with so that they become increasingly active in the affairs of the organization, make larger gifts, and, hopefully, involve their friends and institutional contacts in giving money.

What Induces People To Contribute?

There is no one simple answer; people’s charitable giving patterns are as varied as their shopping habits. What is clear, however, is that people derive both emotional and material benefits from supporting the work of nonprofit organizations. While pure altruism may well be a good part of what motivates individuals’ charitable actions, common sense suggests there is more. Individuals can, and do, receive many benefits as a result of making a contribution, including recognition, a sense of belonging and of being appreciated, personal satisfaction, increased self-esteem, and any material benefits a recipient organization might offer, such as gifts, subscriptions, newsletters, and opportunities to attend special events.

Let’s examine why individuals are moved to become philanthropists. As we do, remember that the struggling low-income family that manages to give a can of food in a food drive is moved by the same philanthropic impulse as a George Soros, or other well-known, generous people of means.

Values and Benefits

Individuals are primarily motivated by their own value systems, which are, in turn, shaped by their life experiences. If a person has encountered discrimination as a result of race, gender, sexual orientation, ethnicity, or class, he or she knows too well the personal costs of bigotry, and may be moved to help make life easier for others who face similar situations. If someone has grown up in a poor neighborhood that offered few opportunities for exposure to knowledge, yet became enriched because a library was close by, that person will probably never forget its value. Such an experience is precisely what moved Andrew Carnegie to contribute millions to the founding of libraries throughout the English-speaking world in the 1800s. Similarly, if someone experiences the loss or disability of a loved one resulting from a specific disease, he or she may

become motivated to support organizations that work to reduce the incidence of that particular affliction.

Not surprisingly, these same experiences, values, and beliefs are frequently what move the founders of organizations to create them. Many organizations devoted to discovering cures for debilitating and fatal diseases were founded by individuals who suffered from the disease. The creation of the March of Dimes in 1938 by a polio survivor, President Franklin D. Roosevelt, epitomizes this point. To launch the National Foundation for Infantile Paralysis (as the March of Dimes was originally called), Roosevelt assembled a group of wealthy men nicknamed the Silver Spoon Club to raise money. Their efforts met with only limited success, so Roosevelt's wife, Eleanor, tried a different approach. She issued a nationwide call for women of all backgrounds to march through the streets of America collecting dimes for the Foundation. This effort was extremely successful financially and gave enormous visibility to the work. The organization became known by its fundraising strategy—the March of Dimes—and eventually changed its name to just that.

Sense of Community

In times past, residents of smaller communities derived a strong sense of identity and belonging from their daily interaction with family and neighbors. Although this is still the case in many towns and villages throughout the world, experiencing a sense of belonging in crowded urban centers or sprawling suburbs now comes less easily, and frequently must be manufactured. In these settings, the natural yearning to belong may be satisfied by voluntary association with any one of countless organizations ranging from block clubs, tenant coalitions, co-ops, and social groups to adult education programs and self-help efforts. Participating in activities that speak out on such issues as the equality of women, protection of civil liberties, and saving the whales is another way for like-minded people to find each other. Similarly, working on behalf of the local symphony or ballet can bring together people who share a passion for the arts.

Sense of Personal Worth

Self-esteem may well be the foundation of happiness, yet contemporary life tends to deprive people of that precious commodity. Most societies value wealth, youth, beauty, and power but few members can acquire and/or hold onto these things. The vast majority won't attain or retain them and usually cannot resist feeling somehow inferior. In addition, the typical workplace does not necessarily reinforce individuals' sense of worth but, rather, may erode it through tedium and the pervasive message that everyone is dispensable. Participation in the activities of non-profit organizations can nurture people's sense of self-worth by providing the recognition, satisfaction, and sense of making a difference often not found in the workplace.

There are also those who enjoy material success as a result of their work but still feel somewhat inadequate, unappreciated, or alone. Such individuals might well offer their services and resources as a volunteer, board member, or donor, in the hope that recognition and validation may be more forthcoming in the nonprofit environment.

Posterity

Few of us can afford to have a building named for us in recognition of our contribution. Nonetheless, the same desire to make a personal and lasting stamp on the future that inspires a millionaire to endow a wing of a hospital resides within us all. Just as parents often see their children as extensions of themselves, so too can individuals claim a stake in the future by contributing time, money, or both to the causes and organizations that have touched their lives most deeply. This desire to leave a mark has undoubtedly inspired many of the individuals who, together, bequeathed a total of over \$15 billion to nonprofit organizations in 1999 in the United States alone.

Sheer Fun and Pleasure

For many people, donating, volunteering, and attending fundraising events such as gala movie premieres, theater parties, and walkathons is out-and-out fun. If they weren't fun, these events would long ago have ceased to attract the large numbers of people they do each year.

Feeling Good

How many times have you seen someone smile—or have you smiled—with satisfaction after giving some coins to the Santa Claus outside a department store at Christmas? No doubt moved by religious and cultural traditions to behavior that is almost reflexive, millions make this small gesture every year—and feel better as a result.

Affirming values and beliefs, developing feelings of belonging and personal worth, contributing to posterity, having fun, and feeling good—with so many possible benefits, it is no mystery that so many people participate in philanthropic activities each year. Fundraisers would do well to remember that nonprofits have, in a sense, as much to give as the potential donor. Armed with this knowledge, fundraisers can raise significantly more money by considering donors' needs to be as important as the organization's. In this regard, as in all others, preparation is the key. By researching a prospect's aspirations, interests, personality, giving patterns, and so on, a fundraiser can increase the chances of success by making a solicitation designed to benefit both parties. The importance of this perspective was recently underlined for me when a fundraiser shared the reaction of a wealthy prospect she had solicited. The donor-to-be said that it was an honor and great personal compliment to be asked.

Can Your Organization Raise Money from Individuals?

In Chapter 6 we suggested that nonprofits be guided in determining their funding mix by researching the mix developed by comparable organizations. If your own research indicates that groups similar to yours have successfully solicited contributions from individuals, it is likely that you too will develop a revenue stream from that source.

Profile of Three Donors

Sarah Silber: Growing Up Giving

From the time she was born, Sarah Silber received small gifts of money on her birthday and Hanukkah. When she was nine, her parents deposited this money in a special "gift" account and explained to her the meaning of the account's interest and balance figures. When Sarah was 16, her grandmother encouraged her to begin contributing some of her savings (then \$3,200) and her time to projects that interested her and the two struck a deal: for every hour Sarah volunteered and for every dollar she gave of her own money, her grandmother would contribute a dollar to Sarah's "Giving Fund" for future use.

Sarah began keeping articles, brochures, and fliers about issues and groups that interested her, eventually noticing that most of the information she had collected was about dolphins and abused children. She realized that one way she could do something to help in these areas was to give money to projects that excited her.

To help her decide which groups to support, Sarah went to the library and researched the organizations mentioned in her collection of materials. There, she found that three organizations on her list that rehabilitated injured dolphins were mentioned in a book on environmental nonprofits. She also learned about the Environmental Support Center in Washington, D.C. and wrote for more ideas. Based on her research, Sarah began making donations and now, at age 23, continues researching organizations and making contributions.²

John Gage: Living and Giving Simply

A former monk, 50-year-old John Gage left the Jesuit order ten years ago but still keeps his vow of simplicity. He feels strongly that America is caught up in over-consumption and is troubled that most people do not see or feel the effects of what he considers to be global greed. Although he lives on less than \$8,000 a year, John gives away \$480 annually (6 percent of his income). He still focuses his giving on the goal of "restoring right relationship between peoples and the planet" that informed the giving practices of his Jesuit order.³

This process is made much easier, of course, if the organization can enlist the support of a well-known person. Fundraising for HIV and AIDS groups was immeasurably helped, for instance, when people such as Elizabeth Taylor, Elton John, and Arthur Ashe became involved as spokespersons and supporters of people living with HIV/AIDS. Efforts to ban land mines took a quantum leap forward with the support of Princess Diana, and raised even more money after her tragic and untimely death. Although many, if not most, organizations cannot attract such high-profile people, especially in their founding stages, they can adapt and apply this principle by identifying local opinion leaders and soliciting their help.

Often a fundraising effort takes time to gather momentum, but once under way raises money very quickly. The Cathedral of Christ the Savior in Moscow has been raising money since the

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Gilbert Rivera: "I'm a big believer in giving back."

Gilbert Rivera did not think twice before making his \$10,000 gift to the American Red Cross's relief efforts for victims of Hurricane Georges. Mr. Rivera, who was born in Puerto Rico and is a co-owner of a multimillion dollar roofing and waterproofing business in the Bedford-Stuyvesant section of Brooklyn, says, "Almost all my community and my customers are Hispanic, and I've got a little money now, so I said, 'Whatever you need, I'll give it.'"

For Mr. Rivera, 41, charitable giving is a habit. Since setting up his business 18 years ago, he has sponsored Little League teams, raised money for Hispanic scholarships and sent neighborhood children to summer camps. This is not the first disaster relief or hurricane relief fund to receive a donation from Mr. Rivera. And the amounts he donates have been substantial: from \$5,000 to the Williamsburg Little League to more than \$100,000 to refurbish the Roman Catholic Church he attends.⁴

2. Tracy Gary and Melissa Kohner, *Inspired Philanthropy: Creating a Giving Plan* (Berkeley, CA: Chardon Press, 1998).

3. *Ibid.*

4. Fernandez, Sandy M. "Hispanics Erase Myths with Money." *New York Times* (18 November 1998): sec. G, p.16.

1980s using a number of grassroots strategies and working primarily with its Orthodox believers. In the late 1990s, the fundraising effort suddenly took off when the mayor of Moscow realized the importance of the cathedral to the morale of all Muscovites—and the impact on tourism another beautifully restored site could create. Three years after the mayor became involved, enough money had been raised to virtually finish the restoration.

Again, few organizations can attract the support of a country's leading political figure, but all can work with dedication and purpose, thereby creating the momentum that somehow attracts people, resources, and opportunities to its work.

That momentum will largely be created by the people who make the actual solicitations. Who are they? The CEO, executive director, or founder of an organization is in an excellent position to solicit contributions from selected individuals of means if he or she has developed a personal relationship with those individuals. Members and officers of advisory boards and the board of directors who have agreed to fundraise on behalf of an organization should be counted on to raise significant funds from friends and contacts. Strive to involve current donors as solicitors; they already have a demonstrated stake in the organization that empowers them to ask others, and more and more contributors want to expand their support beyond writing a check to an organization once a year. Their involvement in the fundraising process—or other activities—will deepen their commitment, satisfaction, and level of support. Remember that the work of identifying individuals who may become involved is ongoing and should be a top priority.

Identifying Your Own Individual Support Base

Tom Boyd, a trainer and consultant to nonprofits based in New York City, offers a very useful tool for identifying an organization's potential support base: the "concentric circles" model. Assemble the members of your organization's core group and ask them to come up with a list of constituencies that might be willing to support the organization if approached. One way to identify them is by asking group members the following question: Which constituencies are—or could be—the most committed to our organization's vision? Participants should list categories of individuals, and then specific individuals. Let everyone in your group contribute suggestions before you stop, then organize their responses. Take a compass, and on a piece of poster-size paper or a blackboard draw one large circle and then two circles within that circle, all emanating from the same point (see the worksheet at the end of this chapter).

The First Circle

The first circle, the bull's-eye, contains the individuals with the greatest stake or interest in the success of your undertaking. Who are they? First, those whom your activities most directly benefit; they will best understand its value. If you are running a day-care center, you know that all the parents using your facility are likely to make contributions. What about the children's grandparents? Don't they also appreciate that their grandchildren are receiving quality care when their own son or daughter is at work? Individuals in these groups are good candidates for the first circle of contributors to your day-care center. Not everyone will be able to make large donations, but we are not talking about the size of gifts yet. Simply start by listing your own constituents, whoever they may be.

Are there other candidates for the first circle? Well, yes—we forgot ourselves. How can we ask our friends to contribute to something that we don't already give to? Add the members of your board of directors, your volunteers, and even your staff. Again, the amount of expected contributions is not important yet, but the principle is.

Those who are selected for the first circle can be defined as your *internal constituency*: they are really the insiders of your organization, each with a direct stake in the success of your effort.

The Second Circle

In making choices for the second circle, select constituencies already known to these insiders. A new theater group, for example, realized that the personal friends of all the actors, directors, and others involved in the venture were likely supporters. They collected the holiday mailing lists of the members of their organizing committee and each member then wrote a personal note on each appeal letter. This approach was so successful that they raised \$15,000! Begin to place in the second circle individuals and constituencies who are kindred souls. Ask yourselves, "Do we know anyone who may develop an interest in our work?"

The Third Circle

Once your group has finished choosing candidates for your second circle, turn to groups of individuals with whom you have no existing or prior personal contact but who you presume would be responsive. Let's call these people your prospective supporters; place them in the third circle. For example, when Mothers Against Drunk Driving (MADD) first formed in Fair Oaks, California, the founders knew that they could appeal not only to mothers who had lost a child in an alcohol-related accident in their own community, but to mothers throughout the country who had experienced or could experience a similar loss.

If you are establishing a center to help new mothers raise their infants, you might add to your third circle local pediatricians, nurses, social workers, family counselors, and others whose professional lives bear on your work. The third circle will help you make generalizations about the types of individuals who might be receptive to your cause. If you find a significant number of pediatricians on your list, you may want to target all the pediatricians in your community as prospects. Continue to ask, "What other categories of people might respond to a request for contributions?" This is a good opportunity to brainstorm; consider all possibilities, even if at first they seem remote.

Finally, ask yourselves which individuals or categories of individuals that have not yet surfaced through this exercise might respond to a request. Again, using the day-care center as a model, how about senior citizens, or even single people who enjoy children? Clearly, these two groups are not the likeliest prospects, nor are they particularly easy to identify, but still they are prospects.

Developing a Fundraising Strategy

Once you have completed the concentric circles exercise, your next task is to develop strategies for cultivating the interest, involvement, and financial support of the individuals you've identified. The strategies will be different for each constituency, and will be based on a number of factors, including an individual's interest, inclination to give, and financial means; the degree of personal contact the organization has, or can establish, with that individual; and the organization's own visibility, track record, and resources.

The next seven chapters discuss seven vehicles for approaching individuals for support: special events, direct mail solicitation, telephoning, face-to-face solicitation, planned giving programs, using the Internet, and earned and venture income initiatives. As you read about these fundraising vehicles in detail, be aware of the myriad ways individuals can become involved with an organization; soliciting an individual for a contribution should be seen as only one step in the larger process of involving that person in the life of an organization. Following is an outline of the strategy many organizations use for developing individuals' involvement and support. As you follow each step, keep in mind the individual's personal interests and reasons for involvement. The more personal contact an organization has with an individual, the further each step will take both.

Circles 1 and 2

1. Individual is identified by member of core group, board, or by friend of the organization.
2. Potential for involvement and financial support is discussed and a solicitation strategy created, including designating a person to carry out the strategy.
3. Individual is cultivated by personal contact, by mail, or by invitation to attend a meeting, special event, or program.
4. According to degree of interest shown, person is then invited to volunteer, to attend another gathering, to receive more information, or is solicited.
5. Solicitation is made, as appropriate, in person or by mail; or person volunteers or has other contact with organization and is then solicited.
6. If gift is received, donor becomes prospect for annual fund, and, as indicated by size of gift and interest demonstrated, a candidate for additional volunteer opportunities, including committee membership.
7. Donors of moderate interest and gifts are cultivated through invitations to events, informational mailings, etc., and solicited for annual fund contributions as well as for support of special projects.
8. Donors of larger gifts who do not wish further involvement are also cultivated through invitations and mailings and become candidates for annual fund requests and face-to-face solicitations for contributions, pledges, and planned giving.
9. Larger donors wishing to become more involved may become prospects for face-to-face solicitations for substantial gifts and pledges, planned giving, and membership on the board or board and advisory committees.

Circle 3

1. Individuals are identified through their inclusion in relevant constituencies or on purchased or exchanged mailing lists.
2. They are asked to support the organization by a direct mail solicitation.
3. For those who respond, cultivation begins by starting with step 3, above.

Case Study

Seniors with Power United for Rights (SPUR), New Orleans, Louisiana

SPUR is a community organizing effort of and for low-income seniors. Its constituency has little money and limited access to people who do. They discovered, however, that these facts do not necessarily prevent a group from raising money. They educated themselves on the principles of fundraising by watching a series of videotapes obtained by the Headwaters Fund of Minneapolis, Minnesota, in which Kim Klein conducts fundraising training sessions. John Graham, then the development director, said, "I think I have seen those tapes so much I could do your hand motions with that magic marker in my sleep."

By identifying diverse sources of funding and using as many ways as possible to ask people for money, they were able to increase individual giving from \$11,500 to \$20,000 in less than a year. They did this using three fundraising strategies: a special event, a membership campaign, and the sale of publications. They also decided to use their annual convention as a fundraising event as well as a time to educate themselves and plan for the next year. As a result, attendance increased 30 percent over the previous year, and profit increased from \$432 to \$5,512! Methods for raising this money included: selling tables of ten to an organization in exchange for reserved seating and group recognition; securing corporate sponsorship of tables for seniors unable to pay the \$7 ticket price; engaging Secretary Bobby Jindal of the Louisiana Department of Health and Hospitals to speak about the expansion of home and community based care for seniors. This strategy created much free publicity and strong ticket sales.

Their second fundraising source was membership dues. For years, the organization paid no attention to the number of new members needed to grow and to replace those who had dropped out. They were losing ground until 1997, when a strong membership drive brought in 81 new individual members, and 8 new organizational memberships at \$100 each. Finally, they published their first ever "Silver Services Directory," which was distributed to 25,000 seniors in the greater New Orleans area. Although conceptualized primarily as a service to seniors, SPUR decided to try to make the directory at least break even by offering advertising space to small businesses. Board members solicited ads from friends, colleagues, places where they shopped, and vendors that they used. The \$5,224 they generated in advertising revenue allowed them to publish the directory, and created a \$800 surplus to be used for programs.

—Kim Klein (Special thanks to John Graham and SPUR.)

Tips

- When listing prospective contributors, don't omit people because you think they won't make a gift. Never say no for someone else; you may lose a contribution and deprive the person of an opportunity to make a difference.
- Remember that you never know where your next board member or major donor may come from. Again, make sure your lists are inclusive, and that you speak with as many people as possible to identify the greatest possible number of prospective donors.
- Whatever the prevailing trends in giving or the current direction of the economy, people will make contributions. These factors will affect overall giving to some extent, but people who say, "It's impossible to raise money today," or "People won't give for that kind of thing, especially with business so bad,"—or anything similar—can pretty much be ignored. People give, and will continue to give, no matter what.

Worksheet

Approaching Individuals for Support

Getting Your House in Order (See Chapter 1 if you need assistance)

Name of Your Organization:

1. Building on Individual Support to Date

a. Have any individuals ever supported your work in the past?

yes no

b. If yes, how many? _____

c. What characteristics and interests do these individuals share?

Comments:

d. What is your sense of what they valued in your organization's work?

Comments:

e. How did you approach them for financial support in the past?

- Face-to-face solicitation
- Planned giving
- Direct mail
- Earned or venture income projects
- Special events
- Other

2. Targeting Your Prospective Individual Supporters

Complete the accompanying "concentric circles" chart to target your own individual prospects. Remember that you should fill in the circles in the following manner:

First Circle—your most likely contributors (your internal constituency: members of the board of directors, clients, current donors and members, staff, volunteers, etc.).

Second Circle—other individuals you know who have a direct stake in the success of your efforts (friends, colleagues, acquaintances).

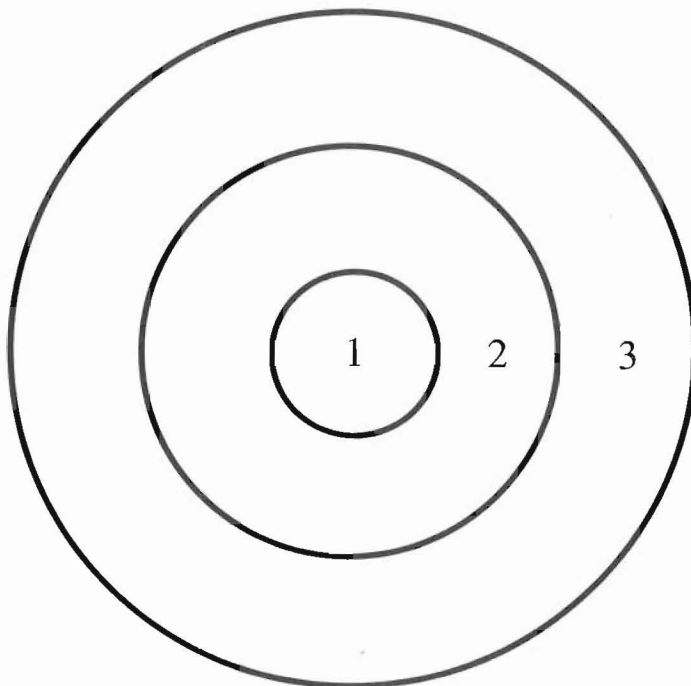
Third Circle—prospective supporters who are new to you; other individuals and categories of individuals who conceivably would respond positively to a request from your organization. Pay particular attention here to unusual possibilities that may not have occurred to you initially.

3. Making the Match (For the previously identified constituencies, complete the following exercises (use your own blank paper):
 - a. Write whatever thoughts immediately come to mind about why individual X or X constituency would be interested in supporting your work.
 - b. Come up with one or two sentences relating your work to the interests of the individuals you are approaching.

4. Assessing Potential Individual Support

On the basis of what you have determined, how would you rank your chances of securing support from individuals?

- Very Good
- Possible
- Unlikely



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Additional Resources

Publications

Albo, Amy. "The Benefactor 100: The Most Generous Among Us: An Exclusive Ranking Based on Total Donations." *Worth* 8 (April 1999): 110-122.

Ranks America's most generous individuals based on lifetime donations.

Alexander, Lamar. "The Civic Entrepreneur: Fixing American Giving." *National Civic Review* 86 (Winter 1997): 287-90.

Presents the major conclusions of the National Commission on Philanthropy and Civic Renewal, chaired by Mr. Alexander.

Avery, Laura J., and John L. Gliha. "Computer-Assisted Prospect Management and Research." *New Directions for Philanthropic Fundraising* 11 (Spring 1996): 85-103.

Discusses the use of computers to access data on prospects and how managers can take advantage of this technology to efficiently support a research operation.

Barth, Steve. "Finding the Needle in the Haystack." *Currents* 24 (June 1998): 32-38.

Explains how to use computer screening and database analysis to find hidden major gift prospects.

Blanton, Carol. "Building the Upgrade Ladder." *Grassroots Fundraising Journal* 13 (June 1994): 9-11.

Describes how to use the donor pyramid, the graphic depiction of an organization's overall donor base, in an annual campaign, to create a strategy for moving donors up to higher levels of giving.

Burlingame, Dwight F., ed. *Critical Issues in Fund Raising*. New York: John Wiley & Sons (NSFRE/Wiley Fund Development series), 1997. xxii, 266 p.

Researchers and practitioners address the major issues in the current state of fundraising, including demographics and donor motivation, strategies, marketing, ethics, regulation and law, cost-effectiveness and financial management. Also provides perspective on fundraising in Western Europe. Indexed.

Carson, Emmett D. *A Hand Up: Black Philanthropy and Self-Help in America*. Washington, DC: Joint Center for Political and Economic Studies, 1993. 66 p.

Provides an historical overview of black philanthropy, providing key developments, events and institutions, in order to both challenge the perception of black dependency in the past, and to enhance the effectiveness of black philanthropic initiatives in the future. Chronicles religious, benevolent and fraternal institutions, and self-help, from the Colonial era to the present. Concludes that black philanthropy is a rich tapestry that is still being woven today. With bibliography.

Costa, Nick G. "Reading the Minds of Major Donors." *Advancing Philanthropy* 5 (Summer 1997): 39-41.

Examines seven donor profiles that were identified in a recent study, with an eye at helping fundraising professionals better understand their donors' needs.

Council on Foundations. *Cultures of Caring: Philanthropy in Diverse American Communities*. Washington, DC: Council on Foundations, 1999. 305 p.

Four separate studies of philanthropy in diverse communities: African Americans, Asian Americans, Latinos, and Native Americans. Researchers interviewed 15-25 donors from each group who gave at least \$10,000 each year, other individuals with knowledge about the giving of each group, and studied the literature on motivations for giving, among other techniques. Contents include: "Native-American Philanthropy: Expanding Social Participation and Self-Determination" by Mindy L. Berry; "Reflections on Endowment Building in the African-American Community" by Mary-Frances Winters; "Latino Philanthropy: Expanding U.S. Models of Giving and Civic Participation" by Henry A. J. Ramos; "Asian-American Philanthropy: Expanding Circles of Participation" by Jessica Chao. Also included is a study by Diana S. Newman, "The Role of Community Foundations in Establishing and Growing Endowment Funds by and for Diverse Ethnic Communities," and an introduction by Joanne Scanlan.

Cox, Michael W., and Richard Alm. "The Accidental Philanthropist." *Philanthropy* 12 (November-December 1998): 10-12.

Discusses the ways the wealthy contribute to society.

Dundjerski, Marina, and Holly Hall (contributor). "Tapping the Wealth of Hispanics: Charities May Be Overlooking a Golden Opportunity To Reach a Rapidly Growing Group of Donors." *Chronicle of Philanthropy* 9 (31 October 1996): 33-36.

Evenson, Robert A. "Asking and Giving: A Relationship of Trust and Promise." *501(c)(3) Monthly Letter* 17 (August 1997): 9-10.

Emphasizes the importance of a trusting relationship between organization and donor.

Fernandez, Sandy M. "Hispanics Erase Myths with Money." *New York Times*, (18 November 1998): sec. G, p. 16.

Hispanics are becoming more prominent as philanthropists and nonprofit board members. Much of the recent charitable giving for disaster relief in Latin America has come from Hispanic donors. Though there is little data about Hispanics as philanthropists, Independent Sector has determined that per-household giving increased 55 percent between 1987 and 1995.

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Ferree, G. Donald, Jr., John W. Barry, and Bruno V. Manno. *The National Survey on Philanthropy & Civic Renewal 1997-1998: Americans on Giving, Volunteering, and Strengthening Community Institutions*. Washington, DC: National Commission on Philanthropy and Civic Renewal, 1998. 96 p.

Presents the findings of the National Survey on Philanthropy and Civic Renewal conducted by researchers at the University of Connecticut, who interviewed more than one thousand people by telephone. Additional surveys were conducted with representatives from racial/ethnic and other minority groups, and with wealthy persons. The survey questions are reprinted in Appendix 1.

Gary, Tracy, and Melissa Kohner. *Inspired Philanthropy: Creating a Giving Plan: A Workbook*. Berkeley, CA: Chardon Press, 1998. xvii, 103 p.

Authors offer to individual givers their insights and suggestions for creating a program of focused, effective, and meaningful philanthropy. Presented in a step-by-step workbook format with numerous exercises. Appendices include a Donor Bill of Rights, sample letters, site visit questions, and resource lists. Indexed.

Glynn, Jeannette E. *Who Knows Who: Networking Through Corporate Boards*. 10th ed. Berkeley, CA: Who Knows Who Publishers, 1998. iii, 837 p.

Traces the networks among the most influential people in America, the boards of directors of 1,066 companies and 112 foundations.

Gower, April. "The Donor Profile." *Fund Raising Management* 29 (December 1998): 22-23.

Briefly discusses the importance of accurately matching the attributes of current and potential individual donors through the use of donor profiles.

Greene, Stephen G. "Ranks of Volunteers Swell to a Record but Donations Dip, Survey Finds." *Chronicle of Philanthropy* 11 (21 October 1999): 16, 18.

Describes the findings of a recent survey conducted by Independent Sector, which indicates that Americans are volunteering in record numbers, although their charitable giving has slightly decreased. Sidebars provide statistics on household giving to charity, 1987-1998; giving and volunteering in America, by sex, race, age, income, marital status, employment status, and education level; comparisons of people who itemize tax deductions and those who do not; and public views on charitable organizations.

Halfpenny, Peter. "Economic and Sociological Theories of Individual Charitable Giving: Complementary or Contradictory?" *Voluntas* 10 (September 1999): 197-215.

Compares microeconomic and sociological analytical frameworks for examining individual giving to charitable organizations. Considers rational-action theories and the qualitative tradition in the discussion of sociological analysis of charitable giving. With bibliographic references.

Hall, Holly. "Forging Ties to the Money Pros." *Chronicle of Philanthropy* 9 (7 August 1997): 1, 12, 14.

To offset government cuts and to tap into the \$10 trillion that baby boomers are expected to inherit, charities are experimenting with various means of enabling financial professionals to actively encourage their clients to consider philanthropy. Whereas some charities have already achieved impressive results using such techniques, among the many barriers to their widespread use are: the reluctance of most financial professionals to bring up the issue for fear of losing business, their lack of proficiency in the complexities of planned giving, and their discomfort in discussing value-laden matters with their clients.

Hartsook, Robert F. "15 Fund-Raising Opportunities with the Millionaire Next Door." *Fund Raising Management* 29 (November 1998): 16-17, 27.

Hartsook, Robert F. "77 Reasons Why People Give." *Fund Raising Management* 29 (December 1998): 18-19.

Hartsook, Robert F. "Practice Your ABC's: Cultivating Donors Equals Receiving Gifts." *Fund Raising Management* 27 (November 1996): 14-16.

Kaplan, Ann E. *Giving USA: The Annual Report on Philanthropy for the Year 1999*. 45th ed. New York: American Association of Fund-Raising Counsel, 2000.

Statistical analysis of charitable giving contributions, distribution, donors, recipients, sources of philanthropy, and areas of philanthropic opportunity in 1999. Sources analyzed include individuals, bequests, foundations, and corporations. Areas of philanthropic opportunity reviewed are religion; education; health; human services; arts, culture, and humanities; public/society benefit; environment/wildlife; and international affairs. A separate section reviews giving worldwide. Contains numerous charts, lists, and statistical tables. Among the statistical tables are total giving, uses of contributions, the growth of contributions, and inflation-adjusted giving. Includes a resource guide and a table of the National Taxonomy of Exempt Entities.

Keirouz, Kathryn S., Robert T. Grimm, Jr., and Richard Steinberg. "The Philanthropic Giving Index: A New Indicator of the Climate for Raising Funds." *Nonprofit and Voluntary Sector Quarterly* 28 (December 1999): 491-99.

The Philanthropic Giving Index, developed by the Indiana University Center on Philanthropy, measures the "climate for philanthropic gifts and fund-raising in the United States." Through semi-annual surveys of development professionals, the resulting index measures anticipated donor behavior, and unlike other studies, looks forward rather than to the past. The PGI also assesses the future success of different types of fundraising techniques, and cross-references those with broad nonprofit fields of activity. The initial survey was distributed in February 1998; potential uses of the PGI are given. With bibliographic references.

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Klein, Kim. "Donors Are Not Water Faucets." *Grassroots Fundraising Journal* 15 (June 1996): 6-8.

Recommends that fundraisers think of donors as individuals rather than part of a homogeneous group. Analyzes three typical incidents where donors were mistreated.

Klein, Kim. "Profile of a Major Donor: From Family Business to Family Gift." *Grassroots Fundraising Journal* 15 (August 1996): 13-14.

Lane, Carole A. Edited by Helen Burwell and Owen B. Davies. *Naked in Cyberspace: How To Find Personal Information Online*. Somerville, MA: Pemberton Press Books, 1997. xxvii, 513 p.

Lipman, Harvy. "Rise in Giving Tracks Growth in Americans' Income, IRS Data Shows." *Chronicle of Philanthropy* 12 (10 August 2000): 12.

Maclean, Charles B., and Jana B. Greenberger. *Philanthropy Now: Seeding the New Generation of Entrepreneurial Givers*. Executive briefing. Portland, OR: Charles B. Maclean, 1998.

McAllister, Pamela. *The Charity's Guide to Charitable Contributions*. Seattle: Conlee-Gibbs Publishing, 1998. vii, 138 p.

Focuses on common situations that most fundraisers encounter, and answers questions that may be asked by potential donors. Several chapters explain IRS rules; additional chapters deal with particular types of contributions and fundraising methods; one chapter is devoted to planned giving; the final chapter discusses state laws. Appendices include reprints of IRS Publication 526 (Charitable Contributions); Publication 561 (Determining the Value of Donated Property); Form 8283 (Noncash Charitable Contributions); and Form 8282 (Donee Information Return). Indexed.

McDonald, Kathleen. "Uncommon Knowledge: Peer Screening Can Fill the Holes in Your Prospect Records." *Currents* 23 (July-August 1997): 30-36.

The peer-screening process involves identifying potential donors among friends, classmates, neighbors, etc., as a first step toward prospect identification. Various stages and aspects of the screening process are discussed, such as preliminary planning, selection of participants, compiling of lists, running of sessions, and recording of data.

Miller, Judith. "A Hands-On Generation Transforms the Landscape of Philanthropy." *New York Times* (9 December 1997), sec. G, p. 8.

Discusses the interest of many "baby boom generation" philanthropists to become directly involved in the charities they support.

Newman, Raquel H. "Transforming Donors into Strategic Funders." *Fund Raising Management* 29 (March 1998): 31, 42.

Examines differences between donors and strategic funders. Donors are defined as a person who writes checks to organizations of their choice, whereas strategic funders seek a relationship with an organization and are willing to take risks with their philanthropy.

Ostrower, Francie. *Why the Wealthy Give: The Culture of Elite Philanthropy*. Princeton, N.J.: Princeton University Press, 1995. xii, 190 p.

An in-depth analysis of philanthropy by the elite based on a series of personal interviews with ninety-nine wealthy donors from the New York City area. Shows that the wealthy take philanthropy and adapt it into an entire way of life that serves as a vehicle for the social and cultural life of their class. Discovers divergent patterns of giving that reflect alternative sources of donor identity, such as religion, ethnicity, and gender. Includes index, notes on methodology, and bibliographic references.

Prince, Russ Alan, and Karen Maru File. *The Seven Faces of Philanthropy: A New Approach to Cultivating Major Donors*. San Francisco: Jossey-Bass Publishers (Nonprofit Sector Series), 1994. xvi, 219 p.

Identifies and profiles seven types of major donors and offers detailed strategies on how fundraisers can approach them. The seven types—the communitarian, the devout, the investor, the socialite, the altruist, the repayer, and the dynast—emerged from a comprehensive study of wealthy donors. Explains why each type requires a different approach, and how fundraisers can identify and understand the motivations of each type of donor. Includes research methodology, references, and index.

Robinson, Andy. "Finding Major Donors by Mail." *Grassroots Fundraising Journal* 16 (June 1997): 6–8.

Waltman Associates. *National Connections: Directory of Corporate & Nonprofit Boards*. Minneapolis, MN: Waltman Associates, 1999. CD-ROM.

Database listing individuals and their board affiliations with corporations, major nonprofits, foundations, and civic organizations. Searchable fields include name, board affiliation, type of board, city and state, and occupation.

Williams, Karla A. *Donor Focused Strategies for Annual Giving*. Frederick, MD: Aspen Publishers (Aspen's Fund Raising Series for the 21st Century), 1997. xi, 287 p.

A step-by-step approach to establishing an annual giving program is presented, including guidance on how to create a hospitable environment, build a constituent base, set giving objectives, and design an infrastructure.

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Williams, Roger M. "Where the Money Comes From." *Foundation News & Commentary* 40 (March-April 1999): 54-59.

Examines trends in giving from individuals such as Oseola McCarty, a washer woman who gave \$100,000 to the University of Southern Mississippi for scholarships.

Zimmerman, Robert, and Ann W. Lehman. "Researching Funding Sources on the Web." *Grassroots Fundraising Journal* 17 (August 1998): 12-13.

Internet

Association of Professional Researchers for Advancement (<http://www.aprahome.org>)

Maintained by the professional organization for fundraisers who conduct research on potential donors, this Web site provides answers to questions frequently asked about fundraising research and links to Web sites that contain information about private and corporate grantmakers, as well as individual donors.

Annual Giving

An on-line forum to discuss annual giving, maintained by T. Greg Prince, Associate Director for Annual Giving at the University of North Carolina at Chapel Hill. To subscribe, send an e-mail message to listserv@unc.edu that states in the body of the message "subscribe annfund Your Name". Leave the subject blank, and do not include e-mail addresses in the body of the message.

Online Directories

Anywho (<http://www.anywho.com>)

90-million-plus consumer listings in the United States. Includes reverse directory, direct phone connections, partial name searching, Web addresses, fax and toll-free numbers.

Infospace (<http://www.infospace.com>)

Database of 100 million listings in the U.S., 200 million in Europe; 16 million American yellow-page listings. Includes reverse directory, fax numbers, e-mail, partial name searches.

Lycos (<http://www.lycos.com>)

More than 90 million phone listings in the United States. Uses Whowhere. Includes e-mail addresses; allows searches by partial spelling.

Switchboard (www.switchboard.com)

120 million listings. Uses Info USA. Includes e-mail addresses and a knock-knock button, which is used to find out whether listed people want to receive mail from searchers.