

# Helping Hand

A Fundraising Newsletter to Help Those  
Who Help Others

Alexander Haas  
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

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from the coastal-desk of  
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## First Principles

A friend gave me Thomas Ricks' recent book, **First Principles**, an examination of the impact of the Greek and Roman classics on the thinking of our first four American Presidents. As a political science major and a recovering Virginian, I immediately took to it and was delighted by Ricks' portrayal of how Washington, Adams, Jefferson, and Madison were influenced by the classics in their approach to governing with a central theme of virtue. (Just in case you missed it, three of the four are from Virginia).

Now, you may wonder, what place does this have in a newsletter devoted to philanthropy? Well, *First Principles* reminded me of what influenced me the most and shaped my thinking about our work in development. My two classics are *Designs for Fund-Raising* (1966) by Harold J. Seymour and *The Raising of Money: Thirty-Five Essentials Every Trustee Should Know* (1983) by James Gregory Lloyd. I suspect I am not alone in having been greatly impacted by their enduring wisdom.

To be sure much has changed in the 55 years since Seymour and the 38 years since Lloyd put pen to paper. Indeed, when the Fund Raising Institute published a second edition of Seymour's work in 1988, it included annotations from Charles E. Lawson, the then Chairman and CEO of Brakeley, John Price Jones, to reflect changing trends in the 22 years since it was first published. While Lawson cited 21, most of them were statistical updates. The major changes noted included the increasing role of women, computers, and phone-mail; annual giving becoming a year-round program; and Seymour's rule of three in campaigns (one third of the total from the top 10 gifts, one third from the next 100, and the final third from all of the rest) morphing into 40-40-20 (40% from the top 10 gifts, 40% from the next 100, and 20% from all the rest). Alexander Haas updated that with our study focusing on the outsized role of the top 10 gifts which we presented to the *CASE Annual Assembly* in 2006.

But while much has changed including the role of social media, the sophistication of prospect research with predictive modeling, and the use of artificial intelligence, the core principles endure. Indeed, as I reviewed Lloyd's 35 essentials, all ring true today and are well worth repeating:

1. Organizations Have No Needs
2. Seek Investment, Not Charity
3. Position Your Organization Relative to its
19. People Prefer Structure
20. Take One Step at a Time
21. Scheduling Creates Momentum

## Competition

4. Listen to the Donor Community
5. Listen to What Each Donor Has to Say
6. Donors Will Tell You What They Want
7. Make Your Case Larger Than the Institution
8. Go for the Gold
9. Create Authentic Involvement
10. The Process of Planning is More Important Than the Plan Itself
11. Share Your Plans Without Asking for Money
12. Use a Feasibility Study to Build a Strategy
13. If You Seek Average Gifts, You Get Below-Average Results
14. A Few Will Do the Most
15. The Early Donor Sets the Pace
16. Trustees Have an Opportunity, Not an Obligation
17. Staff Giving Lends Credibility
18. Make Great Investments Possible
22. Build a Sense of Campaign
23. Create a Climate of Universality
24. Winning is Fundamental
25. Meetings Keep Things Moving
26. People Give to People
27. The Right Person Makes the Difference
28. The One Who Asks Must First Give
29. See Each Prospect Face to Face
30. Ask for a Specific Amount; As for Enough
31. Qualify the Prospect
32. Tenacity Prevails
33. Ask for the Order
34. The Donor Deserves Good Stewardship
35. The Best Advocate is Both Donor and Volunteer

Underlying all of this is the principle that ours is a virtuous endeavor, exemplified by Seymour's inclusion of a quote from John R. Mott the legendary leader of the YMCA:

*Blessed are the money-raisers. For in Heaven they shall stand next to the martyrs.*

## We Think You Should Know

### **Stocks Faltered in September, But Fundraisers Shouldn't Fret**

Nonprofits face a mixed bag of economic news in the early days of October. While jobless rates have continued a slow rebound, the stock market in September was topsy-turvy, and consumer confidence remains depressed. The following economic indicators, which experts say are important to nonprofits, showed notable developments.

#### **Stock Market**

For the first time in 2021, major stock indices fell month-to-month. However, the long-term picture is more optimistic. So far this year, all major stock indices are up considerably — from 13 to 17 percent. Experts say September's economic news likely won't have a big effect on giving patterns.

#### **Consumer Confidence**

Consumers were more optimistic in September, but only slightly. Over all, consumer sentiment stands at a score of 72.8 out of a possible of 100, up 3.6 percent from August but down 9.5 percent from last year.

## Unemployment

The national unemployment rate fell slightly to 5.2 percent in August, a steady decline from around 6 percent at the start of the year. The number of long-term unemployed people fell to 3.2 million, still 2.1 million more than before the pandemic in February 2020. These figures suggest persistent demand for services from nonprofits that assist the poor and unemployed. *COP, 10-1*

## Foundations Increase Investment with Diverse-Owned Firms

The largest foundations showed increased investing with diverse-owned firms in 2021 as compared to 2020. Conducted by the Knight Foundation, the report, *Knight Diversity of Asset Managers Research Series: Philanthropy* found, among 30 participating foundations:

- \$11.07 billion (16.6%) is invested with diverse-owned firms.
- \$6.24 billion (9.3%) is invested with women-owned firms.
- \$6.70 billion (10.0%) is invested with minority-owned firms.
- The average foundation invests 16.3% of its assets in diverse-owned firms.
- The median foundation invests 16.0% in diverse-owned firms.
- 90% of the participating foundations invest some portion of their assets with diverse-owned firms, with 63.3% investing more than 10% and four foundations (13.3%) investing more than 30%.

Among the foundations included in the analysis, the share of assets managed by diverse-owned firms ranged from 0% at the Bill & Melinda Gates Foundation, to 7% at the JPB Foundation, 22.4% at the Robert Wood Johnson Foundation, 34.4% at the Silicon Valley Community Foundation, and 35.9% at Casey Family Programs. Of the top 55 foundations, which collectively hold \$300.34 billion in total assets, 14 elected not to disclose diversity statistics or data at all. [More Here](#). *PND, 10-4*

## More Philanthropic News

### Charitable Giving by the Affluent Increased 48% in '20 Over '17

Based on a survey of 1,626 U.S. households with a net worth of at least \$1 million (excluding the value of their primary home) and/or annual household income of at least \$200,000, The *2021 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households* found that 88.1% of respondents gave to charity in 2020, comparable to survey results from 2017 and 2015. According to the report, issues-based philanthropy is becoming increasingly important for the affluent, who were nearly as likely to base their giving decisions on issues as on organizations (44% vs. 45%), with donors ages 38 and younger more likely to be focused on issues over organizations (55% vs. 34%).

### Other Key Findings

In terms of issue area, affluent households, were most likely to give in support of:

- basic needs (57.1% of respondents and 19.9% of dollars),
- religious organizations (46.9% and 32.4%),
- health (32.1% and 4.3%),
- youth and family (29.7% and 2.1%),
- animal welfare (27.4% and 1.9%),
- disaster relief, including COVID-19 relief (26.6% and 2.7%),
- social and racial justice causes (21.6% and 4.9%),
- the environment (20.2% and 2.5%), and
- international affairs and development (10.2% and 1%).

When asked how their charitable giving would change if they were to receive no income tax deductions, 72% of respondents said it would "stay the same," while 6% said it would "increase" and 22% said it would "decrease." *PND, 9-30*

## Fund to Transform Lives of Workers and Their Families Big Increase

A fund created by a group of social-justice-minded foundations including Ford and Rockefeller and donors like **Jack Dorsey** and **MacKenzie Scott** shortly after Covid hit has more than quadrupled in size to \$48 million and is now awarding gifts into activities and advocacy to strengthen the social safety net and increase worker pay.

When it was created in the early months of the pandemic, the **Families and Workers Fund** had a goal to alleviate the financial pain the pandemic was inflicting on low-wage workers who were either taking great risks to stay on the job or were suddenly shut out of work because of the health crisis. The fund has continued to pick up new donors and foundations that back the foundation, which operates as a stand-alone nonprofit.

The growth in the Fund comes as other foundations are also moving to address the needs of low-wage workers. **Blue Meridian Partners**, a coalition of grant makers and donors, created a \$150 million relief fund to both make direct cash payments to people and improve the delivery of public benefits. And the **Omidyar Network**, founded by eBay founder **Pierre Omidyar**, committed \$35 million toward its *Reimagining Capitalism* effort, which includes support for increasing workers' rights. *COP, 10-5*

## Donate Button on a Zoom Call?

Speaking of raising money through virtual events...things may have just gotten a little easier thanks to the launch of a new donate button on **Zoom**. Now, participants in Zoom meetings and events can make charitable contributions within video calls through Donations by *Pledge*, a free app created by Pledge, a fundraising technology firm. Pledge does not take a cut of donations.

Last year, an estimated 25,000 nonprofits used its virtual event tools to broadcast fundraising appeals and a real-time ticker that lists donors on roughly 50,000 virtual events streamed on Zoom, Twitch, YouTube, Facebook Live, and Instagram Live.

Free and paying users of Zoom can activate the donate button by going to their Zoom account settings, switching on Zoom Apps, and installing the free app. They can start a campaign by selecting at least one charitable beneficiary from the more than 2 million nonprofits in Pledge's global charity database. Nonprofits that aren't in the database can work with Pledge's support team to get approved and added to the list.

[Here's more information about Zoom's new donate button.](#) *COP, 8-31*

## We'd Like You to Know...

### **Transforming Institutions**

For more than 30 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with some of the largest, and some of the smallest, organizations that help make our country a better place to live.

[See our comprehensive list of client partners...](#)

### **Our Transformational Services**

Alexander Haas offers a wide range of fundraising consulting services for organizations of all sizes. Our priority is to help transform institutions that transform lives. Whether you are readying for a capital campaign or need to assess your annual fund, our services are tailored to each individual client.

[What can we help you with?](#)

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