

Report Summary
Promising Practices in Revenue
Generation for Community Organizing:
An exploration of current and emerging fundraising
and grantmaking practices in community organizing

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Note to readers:

This is a summary report. The full report provides a much fuller discussion of the findings, practices and challenges presented in this report, as well as resource guides and an annotated bibliography of books, articles, and reports about funding and fundraising in organizing.

Copies of the full report are available upon request to Jane Beckett at jane_beckett@sbcglobal.net or 708.524.8004. They can also be downloaded at www.comm-org.wisc.edu/papers.htm

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Introduction

“Why should I spend a day building my individual donations program which might produce a few \$50 or \$500 donors when I could spend that day writing a \$50,000 foundation proposal?”

“How can organizing tap into the energy and wealth of the ‘527s’¹, which raised hundreds of millions of dollars for progressive candidates in the 2004 general election?”

“Are there any organizing groups that are building endowments, or even cash reserves?”

“How do we grow or even stabilize when we’ve topped out our dues income and have to do more and more to keep the level of foundation support we have?”

“It is unethical or counterproductive for us to accept grants or donations from government/corporations/wealthy individuals/foundations endowed by ‘robber barons’?”

This report began with questions like these and led us, through data analysis and over 100 interviews, to some findings that we hope will be useful in strengthening organizing’s funding base and fundraising practices. Among these findings:

- The budgets of community organizing groups are, on the whole, flat and not keeping up with inflation.
- Foundations are an evermore important source for organizing, despite considerable fear in the field that such external funding can undermine organizing strength and autonomy.
- At the same time, there *are* dozens of examples of high performing organizer-fundraisers, whose work we describe; the single most important factor in their success is that they see fundraising *as* organizing.
- And also at the same time, more and more members of the foundation community are wrestling creatively with the question of how to increase foundation support of organizing without undermining local ownership, and are creating intermediaries and collaboratives and drawing more peers into the field.
- And yet, serious challenges remain, particularly with respect to appealing to individuals of all incomes, to communicating excitement and results, and to building an organizing culture that pays much more attention to fundraising.

The sole purpose of this report is to strengthen the revenue base of community organizing. Intended audiences are organizers, organizing networks and other organizing intermediaries, funders, academics, and other allies of organizing.

¹ See <http://www.opensecrets.org/527s/527grps.asp>

Research questions and methodology

1. How are community organizing groups presently funded?
2. How, and to what extent, do sources such as government funds, earned income, social ventures, and the Internet diversify the usual mix of foundation grants, membership fees, and grassroots fundraising revenues?
3. What is organizing's assessment of each of its major revenue sources with respect to:
 - Strengths and weaknesses in building its organization for the long run?
 - Reliability? Flexibility? Growth potential?
 - Adherence to organizing principles and values?
 - Potential for ethical conflict with organizing issues?
 - Administrative efficiency?
 - Real and perceived strings?
4. To what extent could membership and dues income, grassroots fundraising, and other non-foundation revenue sources be better developed if organizers had stronger fundraising capacity?
 - How do organizers presently learn to raise revenue?
 - How do they keep up with emerging developments in nonprofit fundraising?
 - How helpful do they find intermediaries, professional networks, and special fundraising workshops, courses or institutes?
 - Whose job is fundraising? How would staffing strategies have to change to build fundraising capacity?
5. What is the role of foundation support in organizing? Has this role changed over recent time? Can organizing expand its foundation and corporate support through more effective fundraising and communications practices? How?
6. Are there any long-term trends that affect – negatively and/or positively -- organizing's ability to raise funds? What is organizing doing to overcome or take advantage of these trends?

The data presented to answer these questions are based on a review of the research and practice literature, financial information provided to the National Catholic Campaign for Human Development (CCHD) by 240 community organizations that met our definition of “community organizing”, interviews with 33 organizing “expert observers” nominated by peers (organizers, staff and consultants working with networks, funding bodies, or intermediaries), interviews with 38 organizers nominated by their peers as effective fundraisers or by our team based on financial data, and two groups of organizers – one that served as our Advisory Committee and one that reflected on barriers and opportunities in fundraising as part of a capacity building process.

Definitions of community organizing and focus of research

This study adopts the following definition of community organizing:

*the process of building an increasingly broadly based, democratic organization rooted in a low- to moderate-income community. Over time the goal is to build a large, well-disciplined organization with the membership, leadership, knowledge, vision, power, and capacity to strengthen their neighborhood's social and economic fabric and make increasingly significant gains on vital issues. This requires a continuing process of actively reaching out, involving larger numbers of people, surfacing leaders and giving them training, increasing responsibility and authority, and helping them move into effective action on the issues that most concern them. The ultimate goal of community organizing is to transform the conditions that currently restrict opportunities for people who are too often left behind.*²

Key to this study is the idea that community organizing involves the creation and maintenance of formal organizations. We thus *exclude* from our definition organizing “projects” of organizations whose primary mission is something other than organizing, ad hoc campaigns, and highly informal groups. We *include* the variety of communities (place-based, interest-based, ethnic group-based) and organizing traditions (Alinsky-inspired, popular education, Asset Based Community Development, Civil Rights and Welfare Rights movement-inspired, etc.) that embrace building formal organizations.

About the authors

This report was prepared for the Center for Community Change by a team of three researchers long committed to community organizing, each of whom has fundraising, grantseeking, and grantmaking experiences. Jane Beckett was formerly a Program Officer for the New Prospect Foundation and has done labor, community, and political organizing. She has raised grass roots money for six membership organizations as a leader or staff and has trained many organizations to do SWOC analyses so that they can improve their internal fundraising. Sandy O'Donnell, PhD, has 25+ years of experience in applied community research and recently completed a study of sustainability issues of African American community building organizations. Jean Rudd was President of the Woods Fund of Chicago (and its predecessor, Woods Charitable Fund) from 1980 to 2000; community organizing has been a top funding priority of this foundation for over two decades in part due to her initiative and continuing support.

² Lisa Rangelhelli, Andrew Mott, Larry Parachini, “Strengthening Neighborhood Organizing in Hartford: A Report to the Hartford Foundation for Public Giving”, unpublished mss, September 2004, p. 3.

Acknowledgments

The team wishes to thank its able research assistant, Katie Claussen, a master's degree candidate at Loyola University of Chicago, for diligent data collection and report production. Thanks as well to the Center for Community Change for its terrific technical and staff support, and to Deepak Bhargava, Seth Borgos, Lynn Kanter, Sean Merchant, Julia Paik, and Karen Stults specifically. Special thanks to the national Catholic Campaign for Human Development, and particularly to Renee Brereton and to all CCHD grantees, for making it possible for us to review grantee fundraising and budget records. This report was supported by grants from the Charles Stewart Mott Foundation, the Marguerite Casey Foundation, and the Woods Fund of Chicago. Thanks especially to our program officers, Cris Doby of the Mott Foundation, Tom David and Chantel Walker of the Marguerite Casey Foundation, and Ricardo Millett, Deborah Harrington, and Jeff Pinzino of the Woods Fund of Chicago, for their advice, suggestions, and encouragement. Lastly, thanks to all of the organizers, grantmakers, and organizing observers who so generously gave this project their time, thought, and information about their practice. A list of all who participated in interviews, conversations, and focus groups is provided at the end of our report.

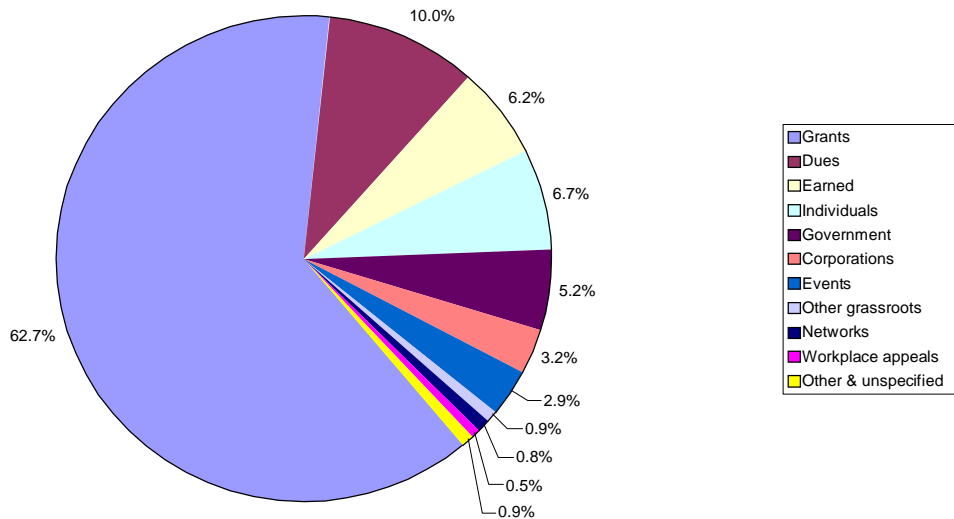
Section One: How Organizing is Funded

by Sandy O'Donnell, Ph.D.

This section in the full report reviews recent research on funding patterns of community organizing and describes and analyzes how organizing groups recently funded by the national Catholic Campaign for Human Development (CCHD) raise revenue. Only the CCHD data are described in this summary report. The data were provided by grantees in their grant applications and cleaned and coded by our research assistant, Katie Claussen. The total sample of grantees meeting our definition of an organization that does community organizing was 240. The sample was balanced geographically. The “average” national CCHD organization in our sample was 8 years old, affiliated with a network, staffed by an Executive Director and 2 other staff, multi-ethnic in its membership, multi issues and local in its focus, and with individual members. Findings about their revenue bases:

1. Organizing nonprofits *do* raise revenues from diverse sources. In our sample of 213 organizations supplying data about revenue sources (23 of the 240 did not), 206 had income from grants, 146 from dues, 124 from individuals, 77 from earned income ventures such as service fees or sales of products, 66 from corporate and union donations, 62 from unspecified grassroots fundraising, 47 from events, 12 from workplace giving, and 10 from their network. 80 had other unspecified sources of revenue. The breakout of various revenue sources:

Sources of Income for Organizing, 2002: Sampled Organizing Nonprofits
 Total mean budget = \$207,686; total median budget = \$133,560; n=217



2. Overall revenue is quite modest. The mean (arithmetic average) revenue budget in 2002 for sampled organizing nonprofits was \$207,686; the median (50th percentile), \$133,560. In 2001, the mean revenue budget for these groups was \$188,432; the median, \$130,500. Correlates of higher income: organizations older than 4 years, located in the West, working beyond the local level.

3. Grants are the largest single source of organizing revenue, comprising 62.7% of the sample organizations' budgets. There was little difference in levels of grants reliance based on age of organization, membership structure, whether network affiliated or not; there were some differences by region (South and West located organizations had greater grants reliance), scope of focus (multi-state organizations were highly grants reliant but few in number), and which network the organization was affiliated with. The average organization supplying grants information reports receiving grants totaling \$338,590 from 8.6 grantmaking organizations over a three year – FY 2000 to FY 2002 – period.

4. There is great variation within the field in the relative importance of membership dues to the overall revenue budget. Dues supplied 10% of the overall budgets of organizations in our sample. While the participation of members in raising revenue budgets is almost a definitional hallmark of community organizing, over 30% (65) of the organizations in our sample who provided information on membership (211) reported no membership dues income in 2002. Correlates of robust dues income: institutional (as contrasted with individual) membership structures, affiliation with a network.

5. Over half of organizing nonprofits raised income from individuals in 2002. Individuals contributed 6.7% of the budgets overall of sample organizations; of organizations that did individual fundraising, individuals supplied 11.6% of revenue.

6. One third of organizing groups sought some kind of earned income in 2002; for those who did, it comprised 15.1% of revenues.

7. Corporate giving to organizing was extremely modest, accounting for but 3.2% of revenue of the “average” sampled organization and raising questions about how it is classified (for example, some organizations may have corporate members). For those who do raise corporate income and report it separately, it comprised 11.3% of their budgets overall.

8. Few organizing nonprofits host events, making events a relatively insignificant income source overall. Of the 217 organizations providing detailed income data, only 37 raised income from events, ranging from \$150 to \$52,000.

9. Few organizing nonprofits seek government grants but, for those who do, government is a significant source of revenue. In 2002, only 43 of 217 reporting organizations received government grants. While government revenue was thus only 5.2% of the “average” organization's revenue, it comprised a significant 28.0% of the revenue bases of those who won government grants.

10. Workplace giving is not a significant source of support for organizing. Only 12 of the 217 reported any workplace giving income at all, and only 4 reported workplace giving of at least \$10,000.

Analysis

1. The revenue budgets of organizing nonprofits are so modest that it appears that community organizing groups on the whole are not keeping up with increases in the cost of doing business, let alone growing. The mean budget of our sample of CCHD grantees in 2002 was little different from data on all CCHD grantees that McCarthy and Castelli presented 10 years ago, without even adjusting for inflation. While the samples and reporting requirements between our study and McCarthy and Castelli's are somewhat different, our findings are sobering, suggesting that there may be too much hand wringing in the field about (the perception of) foundation reliance and too little about the overall modest investment in organizing.

2. We find grants a significant – and an apparently increasing -- source of organizing income, but not the very great over reliance found or suggested by recent research. In our sample, 62.8% of budgets were raised from private grants and 5.2% from government grants; in McCarthy and Castelli's sample, 56% of revenue budgets were raised from private and public grants combined. We question the extent to which this constitutes "over reliance", as organizations in our sample had diverse grants sources (nearly 9 funders over a three year period) and did indeed raise funds from multiple sources.

3. Organizing nonprofits raise a significant share of their funds – 29% -- internally. Our definition of "internal income" encompasses dues, events, individuals, corporate donations (as distinguished from corporate foundation grants), earned income, and other grassroots income. While this 29% does not meet the "standard" of 2/3 that some organizing networks advocate, it is very near the 1/3 standard that others seek.

4. Organizations that had proven sustainability – were at least 4 years old and had budgets of at least \$50,000 -- raised more revenue than the entire sample, but in the same proportions as younger and smaller organizations. In other words, age and size translate to more grants income and more internal income. Organizations neither grew more nor less reliant on grants income as they grew older and larger.

5. The contrast between organizing revenue sources and charitable giving overall in the US suggests that organizing is doing a great job of securing foundation support but has significant opportunities and challenges to improve its individual donations and planned giving (bequests, charitable annuities, etc.) programs. The organizations in our sample raised nearly 63% of their budgets from foundations; nationwide, only 10.9% of total charitable giving in 2003 came from foundations. On the other hand, nationwide, 74.5% of charitable giving came from individuals and an additional 9.0% came from bequests, while, as we have seen, combined sources of internal giving for organizing comprised 29% of their budgets.

In sum, our analysis of contemporary data on funding patterns in organizing – through the lens of national CCHD grantees -- confirms recent studies’ findings that organizing nonprofits operate on very modest resources, predominantly via grants from foundations and church related philanthropies, supplemented by membership dues and other fundraising activities of the organization. To an important extent, the modest size of organizing budgets may be “good” and intentional, a strategy to assure that most of the work is carried out by a volunteer membership. But since this research project arose from articulated concerns of organizers that they were not raising their ideal budgets, we assume that the modest size of many organizing groups’ budgets is *too* modest to achieve the organizations’ intended impact.

Section Two: How Organizing Raises Funds

by Jane Beckett

This section summarizes and analyses interviews with 34 organizers nominated by their peers to be especially effective as fundraisers and organizers supplemented by interviews with 24 additional organizers plus a number of organizing observers. Ms. Beckett draws on her own organizing experiences as staff, leader, and member in framing her analysis.

Organizers' Experiences and Perspectives on the Different Organizing Revenue Streams

Foundation grants

Foundation funding remains a major source of organizing funding, far exceeding internally raised funds in a high proportion of organizations. Virtually all of those we interviewed agreed that foundation funding lacks the autonomy and the reliability that internal fundraising provides. However, most organizers we interviewed perceive foundation grants as money that can be gotten in a short time, in large amounts, and that can attract other foundation funding. Many organizers say that, given the constraints on their time, it is more productive to spend a day writing a grant proposal than it is cultivating prospective members or donors. Yet many organizers also perceive foundation grants as difficult to maintain over time, due to the time limits imposed by most foundations and the tendencies of foundations to tie funding to work on particular issues and to shift their issue preferences periodically (and, according to many of our respondents, sometimes arbitrarily). One network with a particularly effective foundation strategy is the Northwest Federation of Community Organizations, in which its affiliates have decided to pool their knowledge, practices, and even their relationships with foundations. The result: continually increasing foundation support for both the network and its affiliates.

Corporate income

Corporate income may resemble a grant or a donation, depending on how the income was obtained. It particularly “works” for organizing when the asking is done by leaders and when the transaction is framed as an investment rather than as charity. One particularly effective strategy: organizations that gain support from members of the financial services industry, framing that support in terms of the long term interests of both the community organization and the investor (which needs to comply with the Community Reinvestment Act as well as to develop diverse markets for its products).

Government grants and contracts

While many community organizing groups approach government funding warily, if at all, some are finding ways, they believe, to make government funding work to build their organizing. One “promising practice” is engaging the organization in providing a public service, for a fee provided for by government, that a) builds the organization and b) generates revenue for the organization, typically through allowable administrative

overhead on the contract. Logan Square Neighborhood Association (LSNA) in Chicago exemplifies this practice, securing government grants for its Parent Mentor Program, which benefits both government (placing more skilled adults in classrooms) as well as LSNA (engaging residents in public life and, thus, creating a leadership pipeline for the organization). Other examples: Texas Industrial Areas Foundation (IAF), which uses government funds to engage community residents in school improvement, and Metropolitan Organizing Strategy Enabling Strength (MOSES) in Detroit, which uses government funds to organize its community to fight crime.

Two questions organizers should ask themselves in pursuing government funds:

1. Does the grant/contract support the group's mission or does it distort the mission and distract staff and leaders from more critical work?
2. How demanding/bossy/sensitive is the granting or contracting agency likely to be about this organization's organizing activities?

Dues

Dues, both individual and institutional, are in theory the best long-term basis for financial stability for community organizing groups. They represent the highest possible degree of ownership by the members of the organization, and therefore don't just fit in with but also reinforce core organizing values. And dues also indicate the highest possible degree of authenticity to the outside world, leading to better traction with powerful actors in the public arena. Once in place, dues income can go up indefinitely. "Promising practices" in dues collection: generating healthy competition among institutional members (MOSES and Kansas City Congregational Community Organization), involving Board members in new membership recruitment and retention (Iowa Coalition for Citizen Involvement), collecting and renewing membership dues electronically (Association of Community Organizations for Reform Now, or ACORN).

Events

Long a staple of community organizations' repertoire of fundraising techniques, special events, for those who use them well, play multiple roles in the life of the organization – income source, opportunity to celebrate, attract new volunteer constituencies and donors, PR opportunity, etc. The real limits of special event fundraising stare community organizing in the face, however, in that the workforce for these events is usually the same workforce that must also do the heavy lifting in all of the rest of the organization's activities – leadership and a (usually very small) staff. Promising practices: annual dinners that raise funds from within the community, bringing members together and showcasing the organization to non-members; festivals that attract fees and donations from an entire metro area, such as Pilsen Neighbors' Fiesta Del Sol (Chicago) and Kansas City Congregational Community Organization's Soul of the City Jazz Concert.

Individual and local business donors

Fundraising for income from donations was most frequently mentioned as promising in terms of growth potential, by a wide margin. For good reason: organizers understand that this is "where the money is" in the charitable giving universe. Some organizers we

talked with have already experienced success with individual fundraising; some are just beginning to develop individual giving programs; all major trainers we talked with are prioritizing this fundraising source. The most important “promising practice” in increasing individual giving is, like all good organizing, to build relationships – in this case, with prospective donors: have Board members, other leaders, and staff contribute names to their mailing lists and write personal notes on the letters; arrange for phone banks of leaders to make follow-up phone calls; follow up letters with visits, campaign fashion; engage leaders in helping with in-house mailings when possible; communicate with donors throughout the year with newsletters, action alerts, and so forth. Other promising practices are being intentional about “upgrading” donors from successively larger annual fund donations to major giving (Interfaith Committee for Worker Justice) and developing corporate CEOs as donors (all affiliates of faith based networks), which engages leaders in addressing powerful figures face to face and, thus, builds leadership.

At the same time, individual donations, while seen as the most promising source of future income for community organizing, are also seen as the most demanding in terms of the need for attitude changes and shifting of resources. A phrase that was used repeatedly in our interviews about donations was the need to develop and nurture a “culture of asking.” To build individual donations, there must be commitment at the top; extensive conversation around the role of money – particularly unrestricted and renewable money - - in pursuing the organization’s work; deepened awareness about how issues of race and class affect how we approach donors; willingness and ability to enter into a fairly extended time frame, investing effort and resources long before big returns can be expected; the opportunity to practice specific situations and roles in the asking process; and, increasingly, the ability to use technology as a fundraising/organizing tool.

Earned income: Some “promising practices”

- Providing government procured services (the government creates the program and invites nonprofits to provide it for a fee) that work to recruit new members and leaders. For example, ACORN enrolls families in KidCare.
- Providing fee-based services to members. Pineros y Campesinos Unidos del Noroeste makes available low cost legal services to members (thus creating , also, a member incentive); Idaho Community Action Network extends a low-cost food program benefit to members.
- Product sales. Some groups sell their training, outreach, and community research expertise. Get Out the Vote income is one example.

Other income sources

These sources of income were seldom pursued by interviewees, but were nevertheless seen as sources with unrealized potential to support organizing:

- On line giving;
- Workplace fundraising, particularly alternatives to the United Way; and
- Planned giving programs.

These sources of income were also seldom pursued, and also not seen to have much potential to support organizing:

- Capital campaigns;
- Endowments;
- Very wealthy donors, particularly those setting up charitable trusts and donor advised funds, who typically are accessed via expert advisors;
- Cause related marketing or social ventures;
- Linked development agreements;
- Class action litigation;
- Canvassing; and
- Direct mail involving large – often, rented or purchased – databases beyond the organization’s constituency.

Strengthening Organizing Fundraising Capacity

One of the most common themes we heard in our study is that the organizing field pays far more attention to “organized people” than to “organized money”. But we also learned that this state of affairs is changing: we found many organizations that raise 20 to 35% or more of their income from dues; we found even more that raise a majority of their income from a combination of dues, local donations, and other “hard” money; we found some intriguing new ideas in the realm of grantseeking; and overall, we found a high degree of interest in and commitment to integrating organizing and fundraising so that they strengthen each other instead of competing with each other.

Toward distilling “promising practices” in organizing fundraising, we first asked organizers and organizing experts what they perceived to be the major barriers to increased fundraising effectiveness. Their responses:

- 1. Attitudinal and expectations barriers** – the mindset that fundraising is an unpleasant diversion, not part of organizing or organization building, and, thus, fundraising is not an organizing or organizational development priority or benchmarked goal.
- 2. Resource constraints** - particularly demands on the time of the Director (typically responsible for fundraising) and cash-flow constraints that make it hard for organizations to commit resources to long-term fundraising strategies.
- 3. Technical constraints** – particularly fundraising skills and technology.

We then turned to what organizers are doing who are effectively raising funds and to how they transcend these barriers. Across the differences in their organizations' structures, communities, memberships, and scopes of influence, these "promising practices" in organizing fundraising emerged from our interviews:

Promising Practices

1. Recognizing that fundraising IS organizing, create high expectations and high accountability for building diverse revenue bases, particularly from internal sources.

- Be clear that organizational habits like a culture of face-to-face interaction, attention to maintaining information about contacts, the idea that leadership development equates to expanding one's realm of comfort and influence, the ability to tell the organization's story well, commitment to accountability, and constant base-building are equally helpful to organizing and to fundraising.
- George Hemberger formerly with Joliet Area Churches Organized Body (JACOB) and John Calkins of Direct Action and Research Training Center, Inc. (DART), observed the importance of building fundraising expectations into the organization – Board and membership -- from its founding, thus deepening member ownership of the group from Day One.
- Michelle Niemier of United Senior Action of Indiana, Rev. Robert Owens of Citizens of Louisville Organized and United Together (CLOUT), Clifford Gilmore of the Oakland Coalition of Congregations, are three successful organizer-fundraisers who connect organizing and fundraising goals, pointing out that "fundraising is organizing." Ms. Niemier seeks this integration by using a phone banking process to recruit new members and donors, to keep in touch with new members and renew old ones, and activate the membership on important legislative issues; Rev. Owens, through their annual Support Drive during which leaders build relationships with powerful prospective donors (CEOs) to, in turn, build organizational power; and Mr. Gilmore through their annual dinner, tied to the timing of action campaigns and focused on building strategic relationships (via the honoree convention) for the organization.
- Many major networks have created clear expectations, and supports for organizers to raise internal funds – ACORN, via expectations for new and renewed individual memberships; DART, via training and support on its Annual Support Drive; PICO National Network, via the availability of a web-hosted relational database to affiliates; and these as well as Gamaliel, via increased training and mentoring support.

2. Commit Time: Make time for fundraising and take a long-term perspective on building a diverse revenue base

- Save Our Cumberland Mountains, Kentuckians for the Commonwealth and the Virginia Organizing Project have multi-year (3-10) plans that include fundraising goals and strategies.
- Several networks set guidelines for their affiliates' staff and leaders' time devoted to fundraising: 1/3 of all working hours for Gamaliel affiliates; 6 weeks a year for DART affiliates for the Annual Support Drive; as many as 5-6 hours a day for ACORN affiliates, recruiting and renewing memberships.

3. Add Staff Skills

- PICO National Network affiliates are encouraged to add the position of "Fund Developer" to their staffs, a person who both fund raises and increases the fundraising skills of other staff and of leaders.
- Trainer and author Joan Flanagan emphasized that every organization, even those of moderate size, must have someone on staff who is the designated technology manager.
- Cindy Bush of the Northwest Indiana Interfaith Federation observed that adding fundraising staff and increasing their fundraising skills doesn't necessarily mean hiring new staff but, rather, it can mean building the skills and protecting the time of existing staff.
- But Sue Chinn of the Center for Community Change and formerly with the Discount Foundation, consultant Kim Klein, and Paul Marincel of Gamaliel Foundation pointed out that, in order to build a more effective fundraising program, organizations must first spend a higher proportion of their current budgets on fundraising.

4. Involve leadership

- "Leaders pledge first." Successful organizer-fundraisers make sure that the leadership of the organization sets the standard of financial commitment to the organization.
- Jenny Arwade of the Albany Park Neighborhood Council, rather than spending a day in her office writing a grant proposal, might choose to devote the day instead to working with leaders on plans for increasing dues and hosting events.
- John Calkins sums up the key to Annual Support Drive effectiveness: "strong core teams."
- Two funders – Cris Doby of the Charles Stewart Mott Foundation and Carmen Prieto of the Wieboldt Foundation – urge organizers to involve their leaders in site visits and other aspects of the proposal review and monitoring process. They have found leaders to be more effective and more convincing in telling their

organizations' stories to funders than staff.

- Tina Herpe of Interfaith Committee for Worker Justice carefully makes note of leadership time devoted to fundraising, delineating leader time as a separate resource that must be requested, allotted, and used effectively in fundraising plans.

5. Use modern technology to recruit, track, and follow up with members and donors

- Several networks have websites that effectively lend visibility and identity – which potential funders and donors find very helpful in understanding organizations --- to both the network and its affiliates. We found ACORN's a good example of a website that is regularly updated and clearly intended as a press tool and a vehicle for creating a consistent organizational message. Gamaliel Foundation and PICO use their websites both to announce major victories, to facilitate internal communications, to link to useful organizing tools, and also to serve as links to their affiliates' websites.
- New Jersey Regional Coalition organizer Bill Beckler is also his coalition's technology expert; he has created a web-based database that captures all of the affiliates' organizing data, plus demographic and economic data used for policy work; the database can be used to manage dues renewal reminders and payments.
- Several networks have developed database technology as a support service to affiliates. ACORN maintains affiliates data centrally, while PICO is making a web-based system available to affiliates as a benefit. The Gamaliel Foundation also has a national-level technology manager who provides templates for websites and consultation on data bases; in addition, he moderates a national-level conversation on whether and how to create a uniform database for the network.
- ACORN's success in collecting and renewing dues via Electronic Funds Transfer is almost legendary in the organizing field – and an excellent example of how technology can assist organizing revenue generation.
- The Progressive Technology Project was created specifically to increase activist groups' use of technology in advancing their missions and building their organizations.

6. Intensify and re-think training

- The Southern Empowerment Project has provided (with the late Vicki Quatmann) an intensive, two-week training in grassroots fundraising that has been independently—and favorably -- evaluated. One major finding: follow-up group and individual support to the training program greatly increases its impact.
- Seeking to deepen its fundraising training in communities of color, SEP and the Center for Third World Organizing teamed to create GIFT, a fundraising institute specifically for organizers of color.
- All major networks we talked with are sharpening and expanding their training on fundraising. PICO has a fundraising specialist – Steve Klink – to strengthen fundraising training and also coach organizer-fundraisers on the ground.
- Many successful organizer-fundraisers have benefited from fundraising consultants such as Kim Klein, Joan Flanagan, Andy Robinson, and the “Raise More Money” program. And others have found training resources in universities.
- Respondents’ suggestions to increase fundraising training effectiveness:
 - Isolated fundraising workshops are the least helpful type of training; extended training where participants convene repeatedly and receive follow-up is much more effective.
 - Structuring opportunities for peer learning into the training format is particularly important to this field.
 - Training for several key people in an organization, as a cohort, is a better strategy than training for one person.
 - The best training does not initially focus on specific techniques; it rather encourages the organization to figure out how fundraising activities can be integrated into organizing, how leadership can take a big role, and how time and resources can be committed and spent.
 - Training programs should recognize that the fundraising “specialist” in the organization is not necessarily the prime person who raises funds, but s/he is the trainer of leaders and staff on fundraising.
 - Training in organizing fundraising has to be firmly tied to expectations and even agitation.
 - Effective training programs have dropouts: some groups will find mid-stream that they have not built an organization that can achieve fundraising goals, and drop out of the program until they have got some basic fundraising building blocks in place.

7. Don't forget about external sources of revenue: pursue foundation and government grants effectively, recognizing their importance in supplementing internally raised funds and in building organizing effectiveness

- Mike Kromrey of Metropolitan Organization of People in Denver is not defensive about his organization's high ratio of foundation funding: he observes that successful grantseeking can indicate that both funders and organizations have taken the time to understand each other and the work that they both value.
- Leroy Johnson, Executive Director of Southern Echo, Inc., observes that foundation funding is critical to building organizing in the Deep South and is trying to encourage several small community organizations in Mississippi to do their fundraising collaboratively.
- And James Mumm of Mothers on the Move in the Bronx observes that grantseeking sharpens his writing skills and, thus, his ability to communicate effectively the aims and results of his organization to multiple stakeholders.
- To transcend the by now well-discussed problem of fitting organizing requests into funders' "boxes", Don Elmer and Seth Borgos of the Center for Community Change observe the importance of building relationships with program officers to gain assistance from them in framing proposals; grantseeking, they say, like organizing, is relational and must move beyond the us and them mentality.
- Several respondents observed that organizing, to become more successful in grantseeking, needs to better communicate with funders, in ways funders can better understand and embrace organizing. Sandra Mikush of the Mary Reynolds Babcock Foundation, Hubert Dixon of the Center for Community Change, and Jeanne Kracher of the Crossroads Fund are just three of our respondents who observe that organizing frequently "talks past" funders. A common language – of increasing civic engagement, of achieving tangible policy victories for communities, of describing outcomes – is possible, according to our respondents, and necessary to increase grantmaker support of organizing.

Section Three: Grantmaking for Organizing

by Jean Rudd

A Picture of Grantmaker Support for Organizing from a National Database of Organizing Nonprofits *(Subsection written by Sandy O'Donnell)*

Information supplied by 158 National Catholic Campaign for Human Development grantees on grants they had received over the past three years (FY 2000 through FY 2002) gives us a glimpse of the variety of grantmaker support of organizing nationwide. (We remind readers that this is a sample and does not include all organizing groups or organizing grantmakers.) These 158 groups reported 601 funders who granted, collectively, \$53,497,139 to CCHD grantees who were organizing nonprofits. Of these funders, 99 invested more than \$100,000.

- The largest grantmaker by far – in terms of both dollars invested and number of organizations supported – was the CCHD, with the national CCHD providing grants to 42 organizations during the three year period totaling \$2.46M and local (and unspecified) CCHD's providing grants to 122 organizations totaling \$6.03M. The Charles Stewart Mott Foundation, Ford Foundation, Public Welfare Foundation, James Irvine Foundation, and the Veatch Program of the Unitarian Universalist Congregation at Shelter Rock provided over \$1M in grants to CCHD grantees who provided grants information during the FY 2000 – FY 2002 period.
- Our database suggests that significant new investors have been drawn into organizing via increased persuasion and/or awareness within the grantmaking field that organizing is an effective strategy to improve communities and achieve policy change. Examples: The California Endowment, the California Wellness Foundation, Open Society Institute, Rural Schools Trust, Polk Bros. Foundation. The database also suggests the growing importance of intermediaries in funding organizing, such as the re-granting work of the Tides Foundation and the Center for Community Change.
- Nevertheless, the overall foundation and institutional grantmaker investment in community organizing remains quite small. For example, the mean investment of local CCHD's in an organization was \$49,450 over three years; the Mott Foundation's, \$74,212; and the national CCHD's, \$58,652. These data suggest that fears of over reliance on foundation grants should be a secondary concern to that of the overall modest investment in community organizing.

The Roles of Foundations and Institutional Grantmakers Supporting Organizing

Why foundations and institutional grantmakers invest in organizing

Among the nation's 62,000 foundations, a few focus on organizing because they believe solidly in its values, its strategies and its products. Others see it through a lens of social justice and equity or contributing to civil society and civic engagement, including voter participation. For some leadership development or youth development is a key. Some see it as one strategy to strengthen the physical environment of communities (community development) or to move an issue agenda or campaign. In short, grantmakers may fund organizing because they value organizing intrinsically, or because they find organizing an effective means to an end in which they have interest. Two illustrative "cases" for supporting organizing:

[Organizing is]...how to build democracy, an accountable society, solve Robert Putnam's conundrum. We have to demonstrate democracy in order to build it. Our goal is to transform people from consumers to producers of governance. --Scott Douglas, Greater Birmingham Ministries

It's one thing to make grants to orchestras, your favorite children's charity. Organizing is a higher level of thinking about what philanthropy can do to enhance the quality of life and decision-making in the community...These are the constituencies that policy makers, business and community leaders need to do their jobs well. --David Odahowski, Edyth Bush Foundation

Barriers to funding organizing include grantmakers' discomfort with the grassroots and change-making nature of organizing, grantmakers' preferences for funding clear-cut solutions to immediately-solvable problems, and adherence to a philanthropic status quo that emphasizes education, health, arts, and social service organizations.

How grantmakers invest in organizing: what their funding underwrites

Foundations provide grant support for organizing in one or more of three different ways:

- **Core operational support.** Foundations and church bodies with a strong, ongoing commitment to the community organizing field have been those most likely to provide general operating support, the most valued type of support from organizers' perspectives.
- **Targeted (or restricted) support for special projects, for work on specific issues or campaigns, or for expansion.** Increasingly foundations support organizing groups to pursue issue work -- notably education reform, voter participation, environmental issues.
- **"Capacity building".** Capacity building, support to build community organizing groups' abilities to grow and thrive as nonprofit organizations, targeting such areas as fundraising, planning, technology, media, research and

policy development. Some foundations provide technical assistance directly, such as offering workshops and program officer expertise in grantsmanship.

Locating the appropriate role for foundations to play in supporting organizing: the seeming paradox of increasing grant support for organizing without reducing incentives for local support

Universally, advocates of community organizing would like to see increased support for the field of organizing, including from foundations and other institutional grantmakers. Marjorie Fine, Unitarian Universalist Veatch Program at Shelter Rock, comments:

Why shouldn't foundations put a lot more money into organizing? They give so much more to elite things.

And Seth Borgos of the Center for Community Change:

Overall, foundation funding for organizing is so small. Efforts of the last 10 years have produced new resources but, even if it's doubled, it's still small.

But how should grantmakers direct funding to community organizing? This question is tightly bound up with an issue more significant for organizing than most other types of nonprofits -- that of developing diverse revenue sources and the appropriate proportion from grassroots sources. To whom is the community group accountable if it is 70% or 90% dependent on foundations and its members and constituents do not contribute to and "own" the organization? Thus the paradox: yes, more foundation support is desirable but not at the expense of or undermining grassroots support and ownership.

By far, the most significant "promising practices" are those that increase foundation support for organizing in ways that do not foster over-reliance of organizations on foundation grants. Many of our respondents – funders and organizers alike – expressed concern that large foundation grants, particularly if they come early in the life of the organization, can mitigate against developing diverse funding bases and, because they are time-limited and often unreliable (subject to changing priorities of the foundation), threaten the sustainability of the organization.

Our study respondents, organizers and observers of the field alike, strike no consensus on the "appropriate" role of foundations – how funding is directed -- nor the desirable proportion of funding they should provide. But there is concern about dependence on foundation donors, which Sue Chinn, of the Center for Community Change and formerly with the Discount Foundation, sums up:

Groups are overly-dependent on outside sources of funding and have a long way to go to develop an individual membership base. My husband works in labor and we compare and contrast. Labor has an individual membership base. You have more freedom if supported by members. CBO's with 100%

foundation support are beholden. I believe organizing won't grow in power and authority through foundation support alone....They won't grow in influence until they grow in membership. If you are going to prioritize fundraising, that would be it. If CBO's are doing their jobs, they may end up butting heads with corporate leaders who are on the boards of foundations and community foundations. There's a whole lot we all should be doing to develop alternative sources of funding.

Particular concern was expressed about large grants early in the life of an organization. Sonya Garcia of the Grassroots Institute for Fundraising Training:

Large foundation grants can 'take people off focus,' and make smaller grassroots fundraising seem insignificant.

At the same time, points out organizer Cindy Bush of the Northwest Indiana Interfaith Federation:

There will never be a day when foundation funding is not needed.

Funding that builds organizing: effective funder practices. Critiques of grantmaker practices

We asked organizers and organizing experts to evaluate the funder role in strengthening organizing. Their replies:

Positive funder contributions

- the funds themselves, the greater “bang for the buck” in foundation fundraising compared to most other sources;
- the personal support of program officers;
- the role of foundation staff opening doors to other funders; and
- the opportunities for leadership involvement the grantseeking cycle creates.

Critiques

- Foundations setting priorities for agendas and activities through restricted grants.
- Limited funding for organizing in the South, rural areas and smaller cities and towns, and lack of understanding of regional and cultural differences in organizing. (Note: this concern was expressed by such a number of respondents that the full report includes a fuller discussion.)
- Short term funding, especially one-year grants; traditional foundation timeframes not allowing for the complexity of issues CO addresses.
- Foundation “faddism” and shifts in funding eligibility.
- Funders not understanding the true nature of community organizing.
- The need to reframe organizing with each funder and distort the work.
- Limited vision of organizing.
- Program officers not leveling with applicants about what they value and are prepared to fund.

- Foundation expectations for CO to both predict unpredictable activities and to quantify outcomes by measures not appropriate to organizing.
- Fear of confrontation and controversy.

Recommendations for effective funding of organizing

Overall, respondents suggested that funders “let organizing be organizing” and that they address the concerns just delineated. Beyond the types and foci of grants, author and President Emeritus of the National Committee for Responsive Philanthropy Robert Bothwell encourages funders to build effective relationships with social change grantees via hiring activists as program officers and creating operating cultures that embrace two-way relationships. Other specific suggestions:

- **Increase general operating support and make multi-year commitments**, thereby decreasing the potential for foundations to control or alter the organization’s agenda. Hubert Dixon points admiringly to the example of the French-American Charitable Trust. They provide anchor funding, long-term, for a core of organizing grantees, combined with evaluation as part of the process.
- **Combine general, core support with funds to increase internal revenue sources** through matching/challenge grants and/or funds to underwrite acquiring new skills through training, consultants or staffing. Marjorie Fine:

It’s how you give, not if. If you are trying to build a long-term institution, make a commitment for multiple years of support -- even 20 years -- and provide matching money to get seeding at the local level."

- **Or limit foundation grants to special purposes, initiatives, or expansion, thereby encouraging more diverse revenue sources.** Purposes could include building skills in grassroots fundraising, creating cash reserves, enhancing technology as well as programmatic costs.
- **Make sure capacity building grants support effective adult learning processes** – peer learning, reflection in action – rather the “one shot” workshops and forums.

Promising strategies to increase funder investments in Organizing

Introduction: reasons for apparent recent growth in funder support for organizing

While firm data are not available (the Foundation Center does not separately classify “community organizing”), this study uncovered wide commentary and anecdotal evidence suggesting that more foundations are supporting community organizing and that those funders are diverse. The reasons respondents suggested for this growth:

- the growing sophistication of organizing in pursuing statewide, regional, and national policy changes;
- organizing as a change strategy well-suited to policy devolution (the shift downward from the federal level in policy responsibility);
- the growth and effectiveness of intermediaries to hedge some of the perceived risk in making grants to organizing; and, most importantly,
- organizing as an effective means to advance specific issues – health, environment, crime, etc. – that grantmakers focus on.

Our respondents surfaced a number of strategies that have already helped or hold promise in helping increase funder investment and effectiveness in organizing. These include:

1. Funder collaboratives

Funder collaboratives are not new but their support of organizing seems to be growing. Some funder collaboratives seek to draw attention to the promise of organizing itself, some to build skills and effectiveness of organizing, and some, to advance a particular topic, issue area or constituency group. According to Anne Hallett, a former funder of organizing (Wieboldt Foundation) who has recently examined funder collaboratives in the education organizing field, funder collaboratives can:

- draw new money into a particular field;
- increase capacity and impact in a field; and
- build funder knowledge and support.

Some examples of organizing funder collaboratives:

- The Ford Foundation's 5-site Community Organizing initiative;
- Donors Education Collaborative, NYC
- Southern Partners Fund
- Funders Collaborative for Racial Justice Innovation
- L.A. Urban Funders
- Funders Collaborative for Youth Organizing
- Ms. Collaborative on Youth-Led Social Change
- Working Group on Education Organizing
- Initiative for Neighborhood and Citywide Organizing
- Hartford Collaborative for Community Organizing

2. Peer awareness building

One significant finding in this study of expanding funding for community organizing is the role, current and potential, of foundation staff and Board members in encouraging support for organizing. Henry Allen of the Hyams Foundation: *I think of it as part of my informal job description to organize money for organizing.*

Lori Bezahler of the Edward Hazen Foundation: *I spend 60% of my time on developing other foundations' buy-in to organizing on youth and education, engaging them to participate.*

Some thought influential funders should/would bring more funders into the field; some thought the executive director was the key relationship; many observed how one program officer championing organizing could successfully make organizing a funder priority. Our study provides, as a case example, how the Woods Fund of Chicago came to focus on community organizing.

Several people commented on the role of the national foundation “affinity groups” of like-minded funders, in promoting awareness of organizing as an effective funding strategy and opportunity. National Network of Grantmakers, Grantmakers for Immigrant and Refugee Protection, Environmental Grantmakers, Funders Network for Smart Growth and particularly Neighborhood Funders Group (or NFG, the group that published and distributed the “Community Organizing Toolbox”) were those most frequently cited.

Of note is the role of Ford Foundation’s internal Community Organizing Working Group in their expanded support of organizing. Program officers in various departments had been funding organizing but felt there wasn’t coherence or visibility to the field. Collectively staff initiated the Community Organizing Initiative, a special funding program to stimulate both organizing and additional funding for organizing

3. Supporting organizing through intermediaries.

The CCHD database of grantmakers finds two intermediaries among the top grantmakers to organizing. The Ford Foundation’s Community Organizing Initiative is one example of this strategy: the Initiative created or identified local intermediaries responsible for raising additional funds for the initiative locally, for addressing capacity building needs articulated by organizing groups, and for re-granting dollars to local organizations. Seth Borgos:

Intermediaries can help with brokering relationships...can project a broader vision of what’s possible. The larger possibilities draw new [funders] into the field. There’s political resistance in foundations at the trustee level which you can’t do much about from the outside. The biggest problem is the perception that organizing doesn’t have much impact. Intermediaries can help with that...

4. Looking to community foundations for increased support

Among our study participants, opinion is divided on how much potential lies in community foundations for expanded support of organizing. A prevailing view is that community foundations should be logical supporters of organizing, given their missions and their presumed responsibilities to the entire community. For many years Boston Foundation and Philadelphia Foundation were viewed as anomalies in the field because of their support of organizing. More recently Massachusetts-Rhode Island Fund has committed significant funding to organizing, as has the Hartford Foundation for Public Giving. And yet, community foundations, according to many of our respondents, are “hard nuts to crack”, focused more and more on satisfying major donors and prospective donors who are unaware of community organizing and more comfortable with traditional charitable endeavors. Several people we talked with saw potential in community foundations and in establishing links with donor advised funds, but they also saw this potential as unrealized.

5. Accessing the “new wealth”, individual donors and less traditional structures for giving

How can community organizing tap into the enormous new wealth in our nation resulting from the inheritances of WW II generation-created wealth, the technology revolution, and the earnings maturation of the Baby Boomers? While not discouraging organizing from seeking out individual donors, several of our respondents saw promise in new philanthropic structures being created to attract and pool new wealth. These include:

- “alternative” or community based funds such as Funding Exchange members that advise donors and raise funds from them;
- collectives of philanthropies under one roof, such as Common Counsel, that house and staff multiple family foundations;
- and for-profit and nonprofit “philanthropy advisors” that help donors, families and family foundations to develop philanthropic missions and programs, of which Rockefeller Philanthropy Advisors is one example.

We spoke with several philanthropic advisors who actively seek to educate donors about organizing’s and other social change organizations’ work and encourage them to invest in this work. Generally, our study respondents think that community organizing groups should approach financial and legal advisors through philanthropic intermediaries rather than directly. At the same time, advisor Betsy Brill of Strategic Philanthropy recommends to organizing that it “see advisors as part of their stakeholder community.” Do any board members have access to advisors, for instance?

A few study participants commented on the great investments by energized donors for the 2004 elections in phenomena like Move-On.Org and the 527 campaigns and have begun to speculate on how to make those donors aware of community organizing as a foundation for an engaged citizenry.

Seth Borgos:

There's a whole set of political donors who see electing candidates as the way to solve problems. If even a small proportion of that were transferred to supporting organizing...

In summary, organizing groups are encouraged to be sure that new donors are aware of organizing as a funding option, particularly by reaching out to the social justice funds or progressive philanthropy advisors that are serving newer donors. It is worth noting, however, that, within the realm of alternative and progressive funders and their advisors, the evidence suggests that “true” community organizing – with criteria of mass membership based, leadership development, and multi-issue approach – does not have a high profile. Rather “organizing” can refer to activism on a range of issues or identity-based causes. So, once again, community organizing has to make a well documented, convincing case for its contributions and its relevance among these donors and potential donors as well.

When our study participants were asked if it is worth trying to convince new foundations to support organizing or to increase existing grantmaking, overwhelmingly they responded affirmatively and suggested how it can happen. Perhaps the wide range of suggestions is best summarized by Henry Allen of the Hyams Foundation:

Like other things, it's building relationships, thinking strategically about who are the other funders and how can we convince them about the role of organizing in addressing the larger issues they care about.

How Organizing Can Help Funders Understand and Support Organizing: Toward Improved Communications on Organizing Purposes and Results

“Does organizing use effective communications to describe its work to foundations and corporations? Would different language or different proposals describing mission and outcomes change chances of support?” This research question in our study drew some of the strongest consensus among the funders, advisors, and observers of organizing that we interviewed. It is even more important for reaching individual donors and for forging new alliances.

Put most simply by Robert M. Johnson, consultant and former director of Wieboldt Foundation:

Sure, we need to use different language. It's not 'selling out'. You have to appeal to the people you're communicating with.

Illustrative of the advice grantmakers and grantmaking experts offer to organizers in developing proposals that will resonate with funders' interests:

Ask the funder “what do you mean by your categories? When we say ‘community organizing’, what does that mean to you?” Then frame it in terms they understand. We need to develop skills in defining organizing in ways that won’t turn people off – full of jargon.

--Don Elmer, Center for Community Change

The strongest [proposals] start with their vision and what they will do to accomplish it. [We] ask in applications to start with a power analysis and then state what are you going to do to address that power structure. Understand where leadership development, research, policy fit in.

--Chuck Shuford, State Strategies Fund

Let the voice of the community be heard, stories about community leaders and the impact of organizing on their lives. Be more astute about the impacts. Be clear about not over promising.

--Henry Allen, Hyams Fund

<Talk about> civic and community engagement rather than organizing. Not in-your-face power. Foundations tend to think in categories like housing, youth, and health. Talk about your outcomes in these areas...Pitch it as a strategy for policy reform and as leadership development. Connect it to the foundation’s goals.

--Daranee Petsod, Grantmakers for Immigrant and Refugee Rights

And some illustrative advice on communications messages, tools and technologies:

- Think carefully about image projection and key messages.

“You need to project an image for someone to want to invest.”

-- Greg Galluzzo, Gamaliel Foundation

“Describe what <you> do in language seated in values, ethics, vision, hope, progress. Listen to how <your> leaders describe the work.”

-- Cris Doby, Charles Stewart Mott Foundation

- Communicate frequently with funders, but not with overly time-consuming tools.

“You need email, stay in touch with donors, send news clips, and host funder briefings. Be pro-active. Invite funders to your meetings.”

-- Sue Chinn, formerly of the Discount Foundation

“Don’t send me videos and CDs. I don’t have time. Email blasts like ACORN’s are effective with a 30 second scan.”

--Lori Bezahler, Edward W. Hazen Foundation

In summary, friends of organizing suggest the following to improve chances of communicating more effectively with foundation and corporate funders:

1. Learn the funders' agendas and explore how to describe your work in ways that meet their needs.
2. Consider what issues your work addresses and show funders how your work impacts those issues.
3. Leave the insider language and jargon behind. Choose language carefully so that funders beyond the "true believers" understand what your organizing is working toward, how it has been and plans to be effective on specific outcomes and policy issues.
4. Incorporate values, leaders' stories, intended impacts, and strategies to reach them.
5. Develop a real communications plan and skills to advance both the organizing and the fundraising agendas.

Section Summary

Foundations and other institutional grantmakers are not just important funders of community organizing; they are its single largest source of support. They provide crucial grant money, some offer counsel on how to effectively apply to their own and to other funding sources, and many grantmakers are serious advocates for organizing. These activities are bearing fruit in apparent increasing support for organizing. While appreciating these roles, organizing groups ask funders to be clear in their guidelines, as economical as possible in application and reporting requirements, and, above all, to "let organizing be organizing". Funders are urged not to control what issues organizing addresses through time-limited, restricted grants. A key question deserving ongoing discussion among organizers, their allies and funders is what kinds and levels of grantmaker support will best enable organizing to raise enough and sufficiently diverse sources of funding, including significant internal support, to achieve the levels of impact and community accountability it seeks.

Longer Term Challenges to Increase Community Organizing Revenue

The question of support for organizing is a question of power for this sector.

There's something about organizing that we can ask public officials to spend millions on something worthwhile, but we can't ask for the money to support the organization that makes it possible. . . We have to develop that level of confidence that what we're raising money for is deserving of huge support.

You can't separate funding and revenue streams from the purpose of organizing. The big question, tied to fundraising —is community organizing reaching its larger potential?

We conclude this report with a look at longer term and bigger picture issues raised by our respondents – such as those suggested above by Sue Chinn of the Center for Community Change, Peter Phillips of Federations of Congregations United to Serve (FOCUS), and Harry Boyte of the University of Minnesota -- and/or by the literature as described in the Annotated Bibliography of our full report.

Issues, opportunities, and challenges facing local organizing groups

For organizing whose mission is to increase democratic participation, power and opportunity at the local level, our respondents have emphasized increased internal fundraising success by honing traditional methods – dues, donations, events, and local business drives. Their “promising practices” include, most importantly, creating a culture for fundraising in the organization that integrates organizing money with organizing people, focusing staff time and attention to fundraising, developing a longer term plan for organizing and for fundraising, increasing leadership involvement in fundraising, making technology a tool in fundraising, improving communications of their benefits, and so forth.

Several people we talked with saw new opportunities to strengthen local organizing fundraising: policy devolution (the shift of policy responsibility downward from the federal to state or local governments), the very localized funding interests of many “new wealth” donors. William Schambra of the Bradley Center of the Hudson Institute sees important lessons for community organizing groups in examining the growth of evangelical organizations, which have been particularly effective at both raising money and turning out voters.

Others saw challenges: increasing awareness that most seemingly local issues are rooted in broader policies requiring action from broad-based groups or coalitions, and the limitations small organizational size places on the development of diverse fundraising programs. These very challenges suggest great opportunity for intermediaries and

organizing networks to create the economies of scale that would support more diverse revenue generation.

The revenue generation potential of broadening the vision, scope, visibility, and scale of community organizing

Several experts we talked with believe that organizing must broaden its vision, its scope, its visibility, and its scale to achieve the kinds of improvements in local communities it seeks, and they also observe that such a broadened focus will open up new resources for organizing. Chuck Shuford of the State Strategies Fund believes it is important to increase organizing involvement in public life at the state level since policy is increasingly being made at this level. Several respondents, such as Greg Galluzzo of the Gamaliel Foundation and Deepak Bhargava of the Center for Community Change, are thinking even bigger – about building national level alliances within organizing, between organizing and unions, and with progressive political groups to build organizing’s power -- and revenue base.

In tapping into this donor energy at the broad, national level, several people we talked with noted that organizing will have to reach out more effectively to the middle (and above) class. Consultant Robert M. Johnson for instance, observed how effectively Barack Obama (a former organizer) appealed to issues of common values and concern across class in building a donor base for his successful senatorial campaign. And Harry Boyte further observes:

. . . if organizing became also about issues of the middle class, you’d get a shift to donors thinking about self-interest, not about charity.

Deepak Bhargava and Greg Galluzzo note the importance of framing and projecting organizing in big, bold ways that capture the imagination of donors and funders:

The key is to frame community organizing so it is not marginal to the big issues like policy and politics.

There’s growing awareness of the importance of organizing’s image and of communications as a tool in fundraising. You need to project an image for someone to want to invest.

Syd Beane of the Center for Community Change argues for a broader frame of organizing for broader impact -- and increased revenue support:

We have to rethink. . . Rethink our fundraising strategies, seek out alliances we haven’t before. We need alliances of organizers and activists across a variety of issues to tie together in a national agenda.

And Seth Borgos, also of the Center for Community Change, summarizes:

<Issues of vision, scope, visibility, and scale> are related, because part of what's required to raise the profile of organizing is to make it look bigger to people, and part of what's required is a sustained and sophisticated marketing effort which is beyond the capacity of local organizations. Whether it's through networks, or intermediaries, or some other form of aggregation, organizing needs to scale up in order to meet the challenges you identify.

Building a culture within organizing that supports diverse revenue generation

One of the major findings of this study is that neither technical factors (fundraising techniques) nor external ones (the economy, the political climate) are as significant challenges to building strong, diverse revenue bases for community organizing as is the culture of organizing itself. Many respondents observe that organizing has evolved a culture that:

- sees fundraising not as one half of the “organized people/organizing money” equation, but, rather, as a necessary evil and a distraction from “real” organizing;
- is often staffed by people who have personal discomfort in asking people of all incomes for money, but especially in relating with wealthy individuals; and
- frequently has relationships with institutional funders (especially those that represent power or wealth) that are characterized by tension and even avoidance.

The organizers we interviewed who were nominated by their peers as effective revenue generators without exception exemplify how to turn this culture on its head: that these organizers are around and thriving hints that the larger cultural barriers to effective fundraising that have been endemic to the field may be eroding.

We have described some promising practices in changing this culture, with a focus on more and better training of organizers, bringing in fundraising staff when overall revenues permit such specialization, and emerging efforts to expand organizing alliances and re-think strategies.

Toward more stable, more diverse funding bases for organizing

Perhaps, then, the key challenge is cyclical: community organizing groups need predictable, diverse revenue bases to attract and hold organizers committed for the long run, and they need organizers committed to the long run to build predictable, diverse revenue bases. Greg Galluzzo observes that the old rule of “two years and you’re up or out” does not effectively build donor relationships. And Deepak Bhargava notes that building a diverse internal funding base is a long-run process, and one major reason organizers become foundation-reliant. All stakeholders in community organizing have critical opportunities to address this issue: foundations, in providing more core, long term support to enable and encourage talented organizers to build internal fundraising

capacity; networks and intermediaries, in recruiting and training organizers and leaders who will be effective fundraisers; organizers, in transcending their natural fears and anxieties about building relationships with donors; and all of us, in better communicating to emerging donor communities the importance of and the return on investments in community organizing.