

Donors Take Control

Grass-roots fund raising flourishes on the Internet

By [Holly Hall](#) and [Peter Panepento](#)

More and more nonprofit groups are mixing cutting-edge Internet appeals with old-fashioned fund-raising techniques like bake sales and clothing drives to attract throngs of people who give small amounts and recruit their friends, relatives, co-workers, and others to support their favorite causes.

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The goal is to get professional fund raisers out of the way and to rely instead on people who use blogs, a charity's online videos, social-networking sites like MySpace, and other Internet tools to spread a nonprofit message and raise money far more quickly and cheaply than is possible for charities that use direct

mail, telemarketing, and other approaches.

Many organizations that use the new fund-raising methods have been started and supported by teenagers or people in their 20s and 30s — an age group that charities are anxious to reach but have often failed to do so with traditional solicitations.

Among the groups that have succeeded in raising relatively large sums for little cost:

- [Invisible Children](#) a group founded in 2004 by three California college students, has raised more than \$6-million to help children in war-torn northern Uganda. Its Web site features videos and other interactive tools designed to get young people involved in the cause. The site offers numerous low-cost ways people can support projects in Uganda, such as a Give Peace a Tri campaign, in which donors give up a small luxury — like a fancy coffee drink — to make a monthly gift as small as \$3. More than 10,000 people have contributed through the group's Web site, and thousands more have participated in offline events such as Global Commute, an all-night demonstration held nationwide to publicize Invisible Children's cause.
- [Red Nose Day](#), held every other year by the charity Comic Relief, in London, now generates more than \$125-million in a single day by persuading 60 percent of Britain's residents to give



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and raise small amounts to help needy people in their own country and in Africa.

The event's Web site encourages people to raise money in fun ways, such as organizing a stand-up comedy show or a pie-throwing contest. Through the site, people can make online donations; play games; create a personal fund-raising page to be shared with others by e-mail; buy products such as red clown noses and T-shirts; and share fund-raising ideas.

"There is an enormous future for small gifts as a way to engage people," says Martin Gill, Comic Relief's head of new media. "Our objective is to get these people the tools they need to do our work for us."

- The United Nations Foundation created the [Nothing But Nets](#) campaign 10 months ago to persuade people to donate \$10 to pay for a mosquito net to prevent the spread of malaria in Africa. So far, the campaign has raised at least \$4.2-million from more than 4,000 participants who have used the campaign's Web site to make an online donation, form a fund-raising — or "Netraiser" — team, or join a team created by someone they know.

'Viral' Philanthropy

The U.N. Foundation, like a growing number of organizations, says it relies on the "viral" aspect of such giving — many people giving modest amounts while spreading the word to others, who in turn give and recruit an ever-widening donor group — thus saving fund raisers money spent on paid advertising and other expensive communication efforts.

The U.N. campaign, for example, got a big influx of participants after a popular *Sports Illustrated* columnist asked his readers to give and the United Methodist Church agreed to introduce the online campaign to its congregations.

"We have spent nothing on advertising," says Katherine Miller, the U.N. Foundation's communications director. "Grass-roots viral fund raising is so effective that it is changing the way we look at fund raising."

Aside from persuading people to spread the message to each other, many of the new efforts make it easy for donors to see the results of their donations and communicate with people who benefit from their gifts.

[Central Dallas Ministries](#) is posting video interviews with four beneficiaries on its Web site. And donors to [Kiva](#) — a charity that enables people to make loans of \$25 or more to aspiring entrepreneurs in developing countries — can communicate by e-mail with the recipients of their loans. They can also use Kiva's Web site to read reports from entrepreneurs who provide updates on the progress of their business ventures.

Such fund-raising and advocacy efforts are frequently referred to as a

"Web 2.0" approach.

First-generation Internet fund raising — in which charities produce solicitations that simply describe their needs on Web sites or in e-mail campaigns and ask donors to respond with an online gift — is becoming obsolete, some nonprofit technology experts say.

"Online fund raising 1.0 is still the predominant paradigm but becoming ineffective; it is somewhere between crash and burn," says Mark Rovner, president of Sea Change Strategies, a Takoma Park, Md., consulting firm. "The typical approach to online fund raising is that you use it just like direct mail — build a big e-mail list and bombard it," he says. "The new models engage people in new ways versus just looking for new ways to ask for money, which is the last gasp of 1.0."

Getting people involved often means letting them come up with their own ideas for how to raise money and use their own words to talk about a charitable project.

That can be threatening to some nonprofit leaders who have spent years building the visibility of their organizations with carefully crafted, consistent messages, says Seth Godin, an author and consultant who advises companies and charities on how to use Web 2.0 tools.

With the new fund-raising methods, he says, "they are not in charge anymore. But they have an asset that their competition doesn't, which is loyal people."

Ads That Stick

People who are involved enough with a charity to go out and raise money by telling friends and relatives about its work provide another potent benefit: word-of-mouth advertising, which is far more effective than any paid advertisement — and costs a lot less.

"If a stranger comes up to you and starts talking, you may or may not be interested, but if a friend comes up, you are more likely to be," says Jane Chu, president of the Kauffman Center for the Performing Arts, in Kansas City, Mo. "When someone is not paid and is not selling something, it is powerful," she says. "Word of mouth sticks."

Ms. Chu has been using word of mouth in her organization's capital campaign to raise \$325-million to build an arts center. The organization has already received two large gifts after recruiting nearly 200 "ambassadors" to talk up the center.

Most of the ambassadors are not wealthy — only a handful earn \$100,000 or more — and many of them do not even attend arts events regularly, but they have become convinced of the economic and other benefits the new center will bring to the city and have agreed to spread the word about it in their book clubs, civic groups, jobs, schools, and other arenas.

As a result of their efforts, one couple who had contributed \$1.5-million agreed to give another \$1-million after being contacted

by a member of the group they happened to know, Ms. Chu says. And another donor who had never made a gift before contributed \$250,000.

"We wanted to create buzz," says Ms. Chu. "Because our building is not yet built, we do not have a tangible product, and it is important to have people from all walks of life behind it. That builds audience."

Like Ms. Chu, other charity leaders have begun to realize that recruiting lots of supporters of modest means can offer big advantages compared with relying on a handful of wealthy donors or a few large grants.

Many charities are getting too much of their support from too few donors, says Allison Fine, the author of *Momentum: Igniting Social Change in the Connected Age* and founder of Innovation Network, a Washington nonprofit group that helps charities evaluate their work.

"We are intended to have a broad public purpose as tax-exempt entities, and the best way to show that is to have large numbers of people giving and participating," she says. "It is a test of the value of your organization to build a broad base of supporters."

When Invisible Children was created, it deliberately decided to offer its donors numerous ways to get involved. In addition to raising money, supporters can participate in events that generate high visibility for its work, including a world tour to screen a documentary created by its three founders.

"My philosophy was to go after the big gifts, but the founders said it would be better to get \$1 from a million people than one million-dollar gift," says Chris Sarette, Invisible Children's development director. "It was against everything I had absorbed about the economics of raising money. It is easier to get one big gift, but you are not getting the same level of involvement."

The group's latest effort, begun last month, is its School to School campaign. High schools register on the charity's Web site and team up with each other to compete to see which team can raise the most money for a Ugandan school. Students are able to communicate and share fund-raising ideas online. As of last week, more than 6,000 students in 250 schools had raised \$146,807.

Appealing to Bloggers

Even when a charity's supporters don't have much money, they can raise substantial sums by using online and other grass-roots organizing tools.

Software companies like Firstgiving and Justgiving, and groups like Network for Good, the nonprofit giving portal, have started offering individuals the ability to create a free online message about their favorite charity that contains a button that other people can use to make online gifts. Users can add text and photographs or other illustrations and then post the appeal on their personal Web site or blog, or even add it to their profile on MySpace, Facebook, and other social-networking sites.

Sarah Bunting has raised more than \$50,000 with two fund-raising requests posted on her Web site, [Tomato Nation](#). She raised the money for DonorsChoose, a charity that allows schoolteachers to post their needs for school supplies and other equipment to serve needy students on a Web site that encourages people to pay for the items with online donations.

Ms. Bunting's initial request raised \$23,000 from her readers in two weeks. Her second, in which she offered to shave her head if readers could collect \$25,000, produced \$30,000 in a matter of days.

In keeping her promise, Ms. Bunting made a video of her scalp being shaved to the sound of a raucous punk-rock song and posted it on her Web site.

The [video](#), which ends with a close-up shot of a DonorsChoose label plastered onto the back of Ms. Bunting's bald head, was posted on YouTube, a site where people share videos. It has been viewed more than 63,000 times.

Inspired by Ms. Bunting's campaign, DonorsChoose officials invited her to consult with them about how to raise money from other bloggers. The result: Last year, the charity started a [Blogger Challenge](#), which is promoted on its Web site. The campaign, in which bloggers ask their readers to make online donations to DonorsChoose, has recruited dozens of bloggers and raised \$150,000 so far.

Other donors raise large amounts by tapping into a network of others who share a favorite hobby. Following the Asian tsunamis, Stephanie Pearl-McPhee, founder of Yarn Harlot, a blog about knitting, began a campaign there, asking readers to give \$1 apiece to Doctors Without Borders, the international relief group. Dubbed [Knitters Without Borders](#), the online blog campaign set a goal of raising \$240,000, but it has attracted \$320,093 and continues to collect donations.

Skepticism About Approach

Some charity fund raisers question whether such campaigns will ever become successful enough to go beyond sparking small, one-time gifts. And while plenty of charities have tried new ways to interact with potential supporters online, not all have produced donations.

For example, People for the Ethical Treatment of Animals has created a profile on the social-networking site MySpace and recruited 120,000 supporters who have viewed its videos there on animal abuses. It has also produced short videos that are archived on its own Web site and posted on others such as YouTube.

While those efforts have helped the charity expand its audience of people interested in animal rights, it has yet to figure out how to turn them into donors or fund raisers.

"Converting people is a challenge, whether it's offline or online," says Scott Anderson, the group's senior vice president of development. "A lot of what happens depends on how well we can develop that long-term relationship with donors who come online. There is an

unlimited number of opportunities and an unlimited number of challenges."

But other groups have succeeded in recruiting long-term, dedicated donors and advocates.

[The Genocide Intervention Network](#), which seeks to stop violence in Darfur and other parts of the world, not only asks people to help raise money and posts fund-raising tools on its Web site, it also encourages groups of 10 or more supporters to form local chapters of the organization.

Says Mark Hanis, who founded the group in 2004 when he was a student at Swarthmore College: "The whole impetus for creating Genocide Intervention was ensuring that there would be a permanent anti-genocide constituency. That is why we ask people to become members and create chapters, so they can be involved beyond Darfur."

Ellen Kennedy, a professor at the University of St. Thomas, in Minnesota, founded a chapter when she was teaching a class about the Rwandan genocide. Ms. Kennedy stumbled on the charity after she was brought up short when a student approached her after class one day and asked, "What are we going to do about this?"

Says Ms. Kennedy: "Here I thought I was helping students become better, more-informed citizens just by teaching. But she made me realize I wasn't doing enough."

When Ms. Kennedy held a meeting to gauge her students' interest in forming a Genocide Intervention chapter, 17 of them showed up. The chapter now has a mailing list of nearly 400 people and has raised nearly \$50,000 by forming a speaker's bureau that makes presentations and solicits donations for the charity and holding other fund-raising events.

Ms. Kennedy and her students have inspired additional fund-raising activities at local high schools and helped organize campaigns to lobby lawmakers to help stem the violence in Darfur.

Ms. Kennedy recently started another Genocide Intervention chapter at her synagogue and is now helping to organize a statewide conference next month titled "Fighting Back: Creating the Anti-Genocide Constituency."

"I see myself staying involved in this for the long haul," she says.

Motivating people like Ms. Kennedy is the most promising aspect of charities' efforts to recruit donors who give small amounts but have a big collective impact, says Madeline Stanionis, co-founder of Watershed, a San Francisco online consulting firm.

"We've figured out how to engage with donors who give a lot. We are just beginning to figure out this way of people being engaged in small ways at a high volume."

She adds: "This grass-roots stuff is the way to make it possible for people who have busy lives and kids and hardships to participate in

civil society. Changing the world is hard, so you have to get a lot of people doing it."

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