

The 2nd NPO Conference in Seoul Korea

Fundraising as a Key for Sustainable Growth for Grassroots Organizations

Presentation by Fred Goff

Thank you for the kind introduction. And thank you to the Beautiful Foundation for inviting me and for organizing this gathering. It is a pleasure to be here with you and participate in your visionary undertaking.

Though I have met with three delegations from the Beautiful Foundation in California, I have never been to Korea – or to Asia. I very much look forward to our time together and to learning more about your impressive work.

I also want to thank both Kim Klein and Helen Kim who have addressed previous gatherings sponsored by the Beautiful Foundation here in Seoul and who generously helped me prepare for my visit with you.

I met Kim Klein when she was Development Director of the Funding Exchange, a national federation of community foundations, on whose Board I was serving. She later served on the DataCenter Board for nine years, helped us build our individual donor program, and led us through our Endowment campaign.

I got to know Helen when we both served on the Board of the *Grassroots Fundraising Journal* (which was founded by Kim). Helen later served for several years as the DataCenter's organizational development consultant. Both Kim and Helen have been architects of the biannual Raising Change conference for grassroots fundraisers, where I first met representatives from the Beautiful Foundation.

I have been asked to share my thoughts on grassroots organizations in the US which are working for social change; on the role of fundraising in building sustainable nonprofit management; and on fundraising strategies and programs of the DataCenter.

I will be speaking from my experience and want to say at the outset, that it is only my perspective. Whatever I may contribute has to be translated into your context. I hope that what I say will be thought-provoking but it is not the only way to address the important issues before us.

Who I am

I will start with a few words about who I am and how I came to the DataCenter.

At the age of five my family moved to Colombia, South America. I ended up there because soon after graduating with a degree in electrical engineering my father felt called

to the ministry. During his seminary training, he felt called to be a missionary and was assigned to Colombia by the Presbyterian Board of Foreign Missions.

We moved to Colombia in October 1948, six months after the outbreak of a civil war. The consequences of this war are still reverberating throughout the country. During my family's 24 years in Colombia we lived in four cities, with Barranquilla, located on the Caribbean coast at the mouth of the Magdalena River, being the one I remember best.

My life was profoundly shaped by my experience in Colombia:

- my love of nature was kindled by the country's unrivaled natural endowment;
- my commitment to social justice was aroused by the stark juxtaposition of grinding poverty alongside great wealth, and seeing the brutal ravages of war;
- and the lens through which I perceived things was shaped by the faith I was brought up in.

I went to college as a pre-med student thinking I could make a contribution by being a doctor. But I soon switched to history and political theory with an eye toward working in the State Department to try to shape US foreign policy. Then experiences in Mississippi with the Civil Rights movement, followed by work in the Dominican Republic coordinating an election observer team after the 1965 US military invasion, and in organizing against the war in Vietnam in the mid-60s, opened my eyes to the power of grassroots organizing and the limitations of working within established institutions.

In 1966 I joined with returned Peace Corps volunteers, journalists, academics, students, civil rights, religious and peace activists who were concerned about the increasingly imperial drift in US foreign policy toward Latin America to create the North American Congress on Latin America, known by its initials, NACLA. Our goal was to try to change US policy through research and publishing to educate a new foreign policy public. Most of our original support came from several national church offices whose denominations were for the first time opposing US foreign policy.

Over the last 40 years NACLA's Report on the Americas has grown to become the most widely read English language publication on Latin America and it has played a significant role in educating a new generation about US policy toward the region. .

Central to NACLA's impact has been its careful documentation of well-researched articles. Today they are articles that are commissioned from outside authors. But originally they were researched and written by in-house staff and drew on the resources of a vast in-house research library – a library which included both mainstream and alternative periodicals, journals and newspaper clippings.

Creation of the DataCenter

Over the course of time, people familiar with NACLA's library came to us and said, "Look, all these powerful companies, banks, law firms, etc. that you say are shaping US

policy to serve their private interests are not only active in Latin America. They operate all over the world.” They asked us to open our library to the public and broaden its scope to focus on the US political economy and its impact at home and abroad?”

In 1977 NACLA created and spun off the DataCenter to do just that. And NACLA’s collection was augmented by the donation of several other specialized libraries. The idea behind the DataCenter was that information, data and research are vital to creating change. People need to know who they are up against, who the major players are, how the public perceives the issues, what has been tried successfully elsewhere, and many other things. Yet most grassroots activists and organizers lack the time, training, and resources to access what is a vastly expanding public record.

The DataCenter was created to bridge that gap. Though the DataCenter has gone through many changes throughout its history, the common thread in its work and mission has been to join research with action to create change.

In its early years the DataCenter Library subscribed to and clipped over 400 periodicals (over 120 received by no other publicly accessible library in California). We filed over 2,000 articles a week into 400 file drawers organized in a unique classification system created to serve the needs of activists.

We were known to have the best files for corporate research in the country, a top flight collection on the forces opposing change, excellent human rights documentation, and so on. We used the files to produce press profiles and updates, on important issues of the day: Toxics in the Environment, background on the US Invasion of Grenada, Plant Closures, US Military Policy in the Far East, The Sanctuary Movement.

Changes in the DataCenter

Then came the age of computerized information and the Internet. Many of our members and supporters asked: “With all this information now being made available is the DataCenter really needed any more?” While these advances brought many benefits, the costs of accessing this information also widened the gap between the haves and the have-nots.

We summarized the DataCenter’s role in the new Information age like this:

It’s said that information is the currency of the new millennium. We find that those who control information increasingly have access to wealth and power, and those without information get left behind – undermining democracy’s promise of participation and opportunity.

At the DataCenter we know that information is a powerful tool. We know, from nearly a quarter century of providing strategic information to the social justice community, that joining research with action can transform the world for the better.

Thousands of companies buy and sell information. But there are only a few organizations that share it with those who need it most. The DataCenter is a pioneer and leader in this field.

And we go one step further – we teach people how to get the information they need.

We do this because we believe information can do more than enhance your stock portfolio. It can be a tool for social change by boosting the capacity of communities to define issues, shape decisions, and solve problems.

When we switched to computerized storage and retrieval of information in 1998 and moved to our current offices we also made a number of other major changes:

- Instead of serving anyone who walked in the door, with our scarce resources we prioritized serving organizations as agents of change, particularly organizations that lacked access to research and who could make the best use of it. These tended to be organizations in poor communities, especially communities of color.
- To reach out to these communities we needed to recruit people from them, and to create an organizational culture where they felt empowered and in control and to recruit a Board incorporating members of those communities and organizations – in short, to create a truly multiracial organization led by people of color.
- And we needed to pass the baton to this new generation of leadership.

So today's organization looks quite different from, but is directly tied to, the original Datacenter. Today the DataCenter describes itself as a national information, training and strategy center that works in partnership with poor and working class communities of color organizing for social justice. DataCenter has developed a comprehensive and strategic approach to create systemic change by integrating community-led research, organizing and policy work. Our unique partnership approach ensures that grassroots organizations design and lead the research process to meet organizing and advocacy needs

Working within the Grassroots Social Justice Movement

Throughout its history the DataCenter has worked within the context of the grassroots social justice movement. By grassroots I mean any kind of effort that derives most of its power and reason for being from a community and from common ordinary people, where leadership is shared and there is an effort to build up the skills and leadership of every member.

The grassroots social justice movement rests on the premise that long term sustainable social change must be led by the people who are most impacted and supported by people who share a common vision. This has strong implications for how these organizations raise their funds and govern themselves.

The 1960s ushered in an era of citizen participation sparked by the dramatic successes and openings created by the civil rights movement. Dovetailing into the civil rights movement came the widening opposition to the Vietnam War. First the free speech movement and then the anti-war movement ultimately succeeded in bringing about a US withdrawal. The women's movement sought redress for second-class status of more than half the nation's citizens. Following came many other citizen movements advocating for environmental protection, public health and safety, affordable housing, and the rights of numerous marginalized sectors of society.

All citizen movements have in common people rising against authority – often government authority -- at all levels. Many in the movements also understood that those same governments were thoroughly intertwined with and responsive to the will of, powerful private sector interests, again at all levels, collectively referred to as the establishment. For their part, the participants in the various movements, while diffuse, collectively referred to themselves as the movement.

One of the encouraging developments in the current grassroots movement has been coming together of what at times have been fractionalized efforts. Whether this is due to the severity of the economic crisis, our political leadership's ability to articulate a more inclusive vision, the demand for bigger thinking to feed the political opening of the moment, or other causes, the fact is that there is much more collaboration.

Some of the most powerful, innovative and inspiring grassroots organizing in the US today is being done in poor communities – among farm workers, taxi workers, restaurant workers, inner city communities, domestic workers. We have been privileged to work with many of these efforts.

- We teamed up with Domestic Workers United to publish a groundbreaking report, documenting the poor working conditions in New York's domestic work sector over 90% of whom are immigrant women. This report was used to successfully build support in the New York state legislature to pass the Domestic Workers Bill of Rights, which would amend labor law to protect and enforce the rights of domestic workers.
- A survey project by the New York Taxi Workers Alliance in collaboration with the DataCenter effectively shifted public perception and helped win support to get a fare increase for drivers
- Some 8,000 migrant farm workers in North Carolina won the right to union representation in a right-to-work state – the largest union contract in the state's

history – with the assistance of DataCenter’s corporate research on campaign target Mt. Olive Pickle Company.

Living what we advocate for

In building the DataCenter we have placed a high value on the notion that how we organize for change deeply affects the type of change we can achieve. We realize that small groups offer excellent opportunities for creativity, personal growth and change and seek to take advantage of this fact. We commit significant amounts of time to discussion and reaching consensus, to training staff, building financial literacy, making sure more than one person understands each aspect of our work. We share leadership, knowledge and accountability, hire from the communities we work in, and support the leadership of people of color.

And we seek to involve all staff and board members in fundraising. We view fundraising as a form of community organizing. Like organizing, fundraising is essentially about building relationships. All staff and board members are ambassadors for the organization. They represent it, gather information about potential donors, sign and add personal notes to fundraising letters, make follow-up calls after the letters have been sent, submit names of friends and contacts who should be added to our outreach efforts, identify organizations we could be partnering with, participate in visits with donors and funders, write stories about the impact of our work, and so on.

In its startup years the DataCenter was up to 80% self-supporting through memberships, search service fees, subscriptions to its various publications, and subleasing space. We called it the “octopus strategy,” gathering support from all possible sources. Then over time, needing ever increasing funds to underwrite its growth the DataCenter became more dependent on foundation grants.

It was at that time that we were fortunate to have Kim Klein join our board. As part of that commitment she made the very generous pledge of one day a week to help us build our individual donor base. She correctly saw that as key to our ability to institutionalize the DataCenter.

We began a systematic fundraising effort through hosting open houses, acquiring specialized prospect lists, securing challenge grants from donors, encouraging donors to increase their normal gifts, asking donors to secure matching gifts from their employers, and many other ways. We also acquired specialized software that gave us much better control over our donor list and options for analysis. Underpinning all of this was the creation of a clear vision and message, and training for board and staff in asking for a gift.

We created a team of staff, board, volunteers, and donors to plan for our 20th anniversary and used that occasion to launch our first capital campaign. The proceeds would be used for our move to new quarters and a significant upgrade in our technological

infrastructure. The donor response was very encouraging. We increased donor giving that year by 67%. The \$200,000 outpouring of support we received for our capital campaign led us to think even bigger and longer term.

We knew that our work would always be needed. We also knew that foundation grants were not reliable basis for long-term support. They often were two or three year commitments for a specific initiative, program, or campaign. And very few foundations would give us long term, general support grants.

Kim had recently helped the Funding Exchange raise a \$10mn. Endowment and suggested we might test the waters for an endowment. I will save for my workshop on raising an endowment the details on how we went about raising our endowment and how it has helped the DataCenter.

Over the course of the following three years we raised \$1.1 million dollars from 45 individual donors. Our ultimate goal is to have the endowment be one of four legs providing long term financial support. The other three legs are individual donor gifts, foundation grants and earned income from research, training and consulting.

Like just about every other organization, we have been hard hit by the current economic crisis. Yet navigating through it has forced us to make changes in how we support our work. And these changes have been very beneficial. We have streamlined operations and subleased space. Building on our success in developing deeper partnerships with many grassroots organizations, we have found ways to draw on their financial support – both through fees and also through joint fundraising efforts.

This assistance from community-based organizations parallels a similar effort we began when we sought to create a truly multiracial people-of-color-led organization: to have our donor base reflect that diversity while still retaining our mainly white donor base. One of my jobs over the last few years, as I have sought to hand off my management roles and train the next generation of leadership, is to transfer relationships I have built up with donors.

Closing thoughts about the longer term:

In closing I want to raise a couple of points we face in building a sustainable nonprofit sector for the long haul.

The first came to me during a lunch with the Dean of the University of California, Berkeley's School of Social Work. I asked him what issues he was dealing with in his job. He told me that one of his most difficult responsibilities was figuring out an appeal to the residents of the State of California for why they should care about the welfare of everyone in the state regardless of their class, race, ethnic or any number of other factors -- and thus support the creation and funding of institutions to provide for that.

He was British in background and said he thought the ability to get the British health care system passed was due in large part to a sense of all having been through the Second World War together. Regardless of their rank in society they had all stuck together and had prevailed. In a society with a growing emphasis on individualism and looking after number one he had a tough assignment. It struck me that this is one of the main challenges for the nonprofit sector as well -- one we have to face as we think big and long term.

The second challenge is how to build and sustain the infrastructure that can build power for the social justice movement while also insulating it against the corrosive effects of power. Much of the recent grassroots movement has been oppositional in nature. With the new political opening provided by last November's elections many grassroots organizations are being called on for policy recommendations for what we would like to see as an alternative to the status quo. All of this requires an infrastructure for translating vision into reality -- one that is accountable to, responsive to, and trusted by the base.

The third one is related to the first two. How do we remedy the irony that we define ourselves in negative terms, in terms of what we are not, instead of what we are? We call ourselves non-profit and non-governmental.

I think the Beautiful Foundation is well equipped to take on these challenges and has already made significant headway in overcoming them. I look forward to joining with you in this exploration.