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## THE CHRONICLE OF PHILANTHROPY

### OPINION

From the issue dated December 11, 2003

## Offer Donors More Than a Plea for Gifts

By Robert Egger

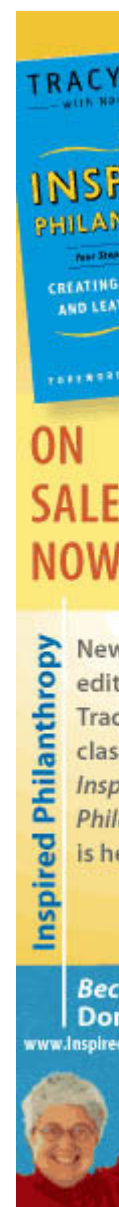
Over the next month, mailboxes across the United States will be bombarded with direct-mail appeals from charities. The letters will come in all shapes and sizes, but most of them will describe an urgent need for more money. Some will point to outside forces like decreased federal funds, bad government policies, a weak economy, or a spike in demand for food, shelter, job training, and other services. Others will offer intimate glimpses of the lives of the people they reach out to, and in many cases, they will go so far as to show donors the faces of the needy they serve, such as a hungry child, a homeless person, or a single working mother.

But before sending out the last appeal of the year, charity officials should reflect on this annual fund-raising ritual and ask some simple questions: Why should people give to any charity -- and why to mine? Are Americans getting tired of hearing the same "woe is me" campaigns year after year? After decades of taking in donations, have nonprofit groups provided the kind of results that donors expect?

To be certain, thousands of important nonprofit groups face a financial squeeze, including the antihunger organization that I founded. But those of us in the nonprofit world can't continue to prey upon the public's giving spirit every holiday season. Far too often social-service groups, as well as other organizations, play the pity card to raise money. The strategy might produce a one-time check from a donor, but that money will need to be stitched together with other one-time checks to make it through the winter. Year after year, nonprofit groups end up in the same position, running the same desperate campaign as the holiday season approaches.

Hunger, poverty, unemployment, and the many other woes facing the nation's most vulnerable citizens won't be reduced if nonprofit groups keep appealing solely to donors' hearts, and doing little to appeal to their brains. In fact, we are poisoning our own well by not helping the public to see that our needs go beyond affairs of the heart.

Nonprofit groups shouldn't be afraid to turn off donors by telling them their donations will go for things they might not have realized are needed, like a better strategy for reducing poverty or child abuse or cancer or whatever our goal is, or that we need smarter leaders who can be far more effective than the typical nonprofit executive is today.



Some nonprofit groups think donors will deem us not worthy if we admit our failings or tell them what we need to operate more effectively. On the contrary, donors want details and will give more money, more often, if they are told where a nonprofit group is going -- and whether it's getting there. It is a pretty good bet that the nonprofit groups that survive will be those that can make the transition from the who and what of their mission (e.g., we feed hungry children, we help battered women) into a how and why of their plan: groups that can define not only how they are working to end the problem, but also why they have chosen their particular strategy and in what ways their strategy is working.

Nonprofit groups must also talk to donors frankly about the infrastructure and organizational costs of providing high-quality services. Low administrative overhead isn't an accurate barometer of impact, yet rather than confront this flawed standard, most nonprofit groups manipulate their annual budgets to show the public a low figure. Too many charities, for example, tell donors that 90 percent or 100 percent of their donations will go directly to the "cause," but fail to say how efficient they are. It's like telling people that their donations go directly to pay for gas, without mentioning whether the fuel is for a hybrid or a Hummer.

A good question to keep in mind when analyzing a fund-raising appeal is whether the recipient is likely to see the organization as a valiant army with a plan that's working, or a hapless force keeping a bad peace.

Sadly, the latter better characterizes nonprofit groups today. More than 900,000 charities are now operating, with annual revenue of more than \$800-billion. Those organizations employ one of every 12 Americans, or more people than the construction industry. The problem, therefore, isn't solely about money or human resources. The problem is that those resources are spread too thin, in too many directions, to show the donors any real impact.

The crux of the nonprofit financing challenge is not about what we don't have. It's about consolidating what we do have, using those resources more effectively, and then collaborating with business and government on a peer-to-peer level to fight the nation's problems. Otherwise, we are just whistling a sad tune to a shrinking audience of donors.

Not every group will make it, and organizations that merge or fold aren't failures. Nonprofit employees who truly care about their causes will work toward the best way for the cause to move forward. Sometimes that means not being a drain on the system and allowing focused, energetic organizations to thrive. Organizations that are struggling and not effectively serving their clients should find a way to pass on their knowledge and services to those that can. They also have to stop acting like islands unto themselves.

Case in point: A few years ago, my organization, the D.C. Central Kitchen, helped start a community kitchen, where surplus food donations can be converted into balanced meals, and where unemployed men and women are taught cooking skills, in a city outside Washington. A representative at a local food program confronted one of our employees at the opening. "You're stealing our hungry people," he said angrily.

Stealing their hungry people?

Nonprofit groups have lost their way when they view the people or the clients they serve as turf to be fought over, or when take donors for granted. But that is exactly what they've been doing. They have been taking donor money and driving off as fast and as far as possible. Now thousands of groups are in jeopardy of stalling out, each one crying for help: More gas! All we need is more gas!

Imagine what it's like to be on the receiving end of the same fund-raising appeals year in and year out. Think about what it's like to give year after year through the United Way, to carve out a few bucks to support a community organization, to rally a congregation or office to volunteer, and all you get in return is a letter saying things are not much different than they were last year.

Nonprofit groups have to deal with these hard questions if they want to break the cycle of annual guilt-based giving rituals and create a culture of educated partners who understand and support the need for long-term strategic planning for the nonprofit world.

Donors are hard-working folks who want to help, but they want to see our missions made manifest by movement. Let's mark the holiday season by starting to offer them the opportunity to be part of something bigger than charity. Let's give them a plan.

*Robert Egger is president of D.C. Central Kitchen. His book, Begging for Change: the Dollars and Sense of Making Nonprofits Responsive, Efficient, and Rewarding for All, is scheduled to be published by HarperCollins in February.*



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