

Fall 2003

RI's Outstanding Philanthropic Citizen: Simone Joyaux!

Simone will be honored at a November 25 ceremony as Rhode Island's Outstanding Philanthropic Citizen for 2003.

The award, part of the National Philanthropy Day celebration, goes to individuals who have made a significant contribution to nonprofits in Rhode Island through volunteering and giving money.

Joyaux began volunteering in the nonprofit sector 25 years ago, and has served as a board member, pro-bono consultant, and teacher. More recently, Simone founded the Women's Fund of Rhode Island, and donates on average 10 hours per week to the Fund.

Simone and her husband, Tom, have donated 100% of their estate to charity.

For more information, see the website of the Association of Fundraising Professionals' Rhode Island chapter: www.aspri.org.

Here's a trio of "must-reads," according to Simone:

- "The Commons: Our Mission if We Choose to Accept It" by Roger Lohmann. Writes Lohmann: "The commons is a set of ideas and practices anchored deep in Anglo-American history, law, and culture that offers a powerful way to explain the unique mission and role of nonprofit

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activity ... In a democratic society, we act as individual stewards of legacies, but we have to ensure that the principles we wish to see enacted are heard and acted upon. This requires association. This is the core job of this sector."

- "The Greatest Leadership Challenge: Renewing Our Belief in Democracy and

Political Advocacy" by Scott Harshbarger. Nonprofits have long been active advocates for democracy. But today, this political advocacy is in decline out of fear of retribution. And the overwhelming influence of monied interests is negatively affecting our democracy.

- "Who's Promoting the General Welfare?" by Jeff Madrick. The Preamble to the U.S. Constitution talks about establishing justice and promoting the general welfare. That's a social contract between the people and the government. But today, the social contract is being destroyed. The promise of equality, justice, and equal opportunity is threatened by financial disinvestment by government, social policy to support the wealthy, and a market-based economy with little control. The U.S. is rejecting the very ideology that made us the example to the world. Are you going to do anything about it?

All three articles appear in the Summer 2003 of *The Nonprofit Quarterly*, published by Third Sector New England. See www.nonprofitquarterly.com for more information and subscription details.

Many urban charities look to the suburbs for donors. But some inner-city residents may be more generous.

Black households, for example, give 25% more of their discretionary income to charity than white families. And the

from Joyaux Associates. www.simonejoyaux.com

income of black households has grown by 20% since 1993.

In Detroit, where four of every five middle-income and upper-income residents is black, households give 12.5% of their discretionary income to charity, tops among 49 cities surveyed. In cities nationally, black households with incomes of \$50,000 or more were more generous than white households with similar incomes.

A tradition of supporting black churches is one reason; another is a sense of obligation to help the less fortunate in the community. \$9 of every \$10 given by blacks goes to churches or other religious institutions.

Nationally, religion drives giving across regional, class, and ethnic boundaries. \$3 of every \$4 donated in the U.S. goes to churches or other religious causes.

Moreover:

- Married couples and single women are far more generous than single men. High-income men living on their own give just 2% of their income to charity.
- Self-employed workers donate 70% more of their discretionary income than those who work for others.
- Better-educated people give more to charity, regardless of their income level.

[Source: "How Americans Give: Chronicle Study Finds That Race is a Powerful Influence," Michael Anft and Harvy Lipman, *The Chronicle of Philanthropy*, May 1, 2003. P.O. Box 1989, Marion, OH 43305; 800-728-2819; www.philanthropy.com]

Girl power: Women's funds now have assets topping \$200 million. Between 1999 and 2001, grantmaking by funders that serve women and girls rose to \$32.7 million, up 32%. The Women's Funding Network now has 96 members, an increase of 27 groups in just three years.

Women's funds are thriving by appealing to a broad group of donors, including middle-class women. Program support typically goes to economic development, anti-violence programs, and health programs.

[Source: "Women's Funds Hold \$200 Million; Donations Grew Fast in Recent Years," Serdar Tumgoren, *The Chronicle of Philanthropy*, May 1, 2003. P.O. Box 1989, Marion, OH 43305; 800-728-2819; www.philanthropy.com]

Married couples are partners for education. 78% of donors to higher-education charities are married. And three out of four higher-ed donors are men — the opposite of the norm for giving to most other sectors.

Married donors also tend to favor faith-based charities (72% of donors are married) and arts organizations (69% married). Health charities are less popular with married donors (62%).

Overall, 69% of donors are married, compared to 60% of the overall adult population.

[Source: "Study Reveals Surprises in Donor Gender and Marital Status," *DonorSpeak*, Campbell Rinker e-letter, September 2003. 25600 Rye Canyon, Suite 202, Valencia, CA 91355; 888-722-6723; www.campbellrinker.com]

For charities, the good life begins at 40. That's when donations by married donors begins to peak, lasting until age 65, when giving begins to drop again.

In contrast, donors who never marry increase their charitable giving after age 65.

The data comes from the Center on Philanthropy Panel Study, a research project that tracks giving by specific households as their age, health, and wealth change over time. For more information, see the University of Indiana's Center on Philanthropy website: <http://www.philanthropy.iupui.edu/nr-COPPS.htm>

[Source: University of Indiana press release, May 8, 2003.]

Use your "family" to make connections with family foundations. Check foundation documents to get names of officers, board members. Then survey your own staff, board, and supporters for possible relationships.

Program officers with your current funders also may have valuable insight, advice, and contacts at other local foundations.

Remember: family foundations spend family money. They are committed to causes on a personal level. They want to see their money make an impact.

[Source: "Getting on the Radar: How to Approach Family Foundations," Mary Louise Fazzano, *OnPhilanthropy*, October 18, 2002. www.onphilanthropy.com]

Tattoos, nose rings, low-rise jeans ... Can you relate to Generation Y? The next wave of potential donors was born in the 1980s and 1990s. They take computers and the Internet for granted. They're used to being bombarded with information.

Generation Y kids tend to have closer ties to their family; nonprofits should respond by offering family oriented activities to attract young supporters. They also are more multicultural and worldly, a possible boon for international groups.

Generation Y already has money: Teens spent \$170 billion last year of their parent's money and their own. They don't worry about paying for basic needs, and don't blink at dropping \$3 for a cup of coffee at Starbucks.

Nonprofits are adapting by spicing up websites with playful graphics and interactive content. Others have e-mail newsletters designed expressly for teens.

Experts say messages aimed at Generation Y need to be direct, have strong colors and graphics, yet feature unexpected, offbeat images that can compete with a high-energy popular culture. TV and the Internet are better for getting messages across than direct mail or print publications.

[Source: Connecting with Generation Y," Elizabeth Greene, *The Chronicle of Philanthropy*, July 24, 2003. P.O. Box 1989, Marion, OH 43305; 800-728-2819; www.philanthropy.com]

Donors who think globally still give locally. 60% of donors to international relief and development groups say they prefer to

give locally. Just 15% prefer to give nationally, and 8% prefer to give internationally.

Supporters of health and arts charities also preferred to give locally.

[Source: "Donors Prefer to Give Locally: Myth or Reality?", *DonorSpeak*, Campbell Rinker e-letter, September 2003. 25600 Rye Canyon, Suite 202, Valencia, CA 91355; 888-722-6723; www.campbellrinker.com]

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Are your donor appeals working? Check your first-year renewal rates. If 20% to 30% of donors renew in the first year, you're probably in good shape. Second-year renewals should fall in the 70% to 95% range.

Renewal rates vary from sector to sector, however. First-year renewal rates for health organizations tend to fall in the 25% to 32% range. Relief organizations typically see 34% to 42% renewal rates. And first-year donors to inner-city ministries tend to renew at a 34% to 52% rate.

[Source: "Donor Renewal Trends," Bruce Campbell, *Successful Direct Mail, Telephone & Online Fundraising*, November 2002. www.malwarwick.com/newsletter]

Americans are changing how they think. That's good news for fundraisers. Most Americans say they feel a need to become more involved in their community. And three-quarters agree that everyone should do volunteer work.

Most U.S. citizens also say it's important to revive a sense of common culture, and to do things that make them feel closer to others. Spending more time with family and building communities are more important; acquiring material goods, less.

"Hiving" is the new buzzword for the American way of life. The home is seen as the hive, or center from which families interact with the community.

This change in thinking — which began at the height of the stock-market boom and intensified with the terrorist attacks — presents a golden opportunity for recruiting new donors and volunteers, experts say.

[Source: "Americans Have Growing Interest in Charity Involvement, Polling Expert Says," Elizabeth Schwinn, *The Chronicle of Philanthropy*, August 7, 2003. P.O. Box 1989, Marion, OH 43305; 800-728-2819; www.philanthropy.com]

Don't "dumb it down" for donors! 55% of all donors have a bachelor's degree or higher, compared to 26% of the general population.

Three-quarters of arts donors have a four-year degree or more, as do more than half of donors to educational, health, international relief, and faith-based causes.

[Source: "Percent of College-Educated Donors by Non-Profit Sector," *DonorSpeak*, Campbell Rinker e-letter, September 2003.

25600 Rye Canyon, Suite 202, Valencia, CA 91355; 888-722-6723; www.campbellrinker.com

So much for the charity bust.

Charitable giving in the U.S. reached an all-time high in 2002. Americans gave \$240.92 billion, up 1% from 2001. And more charities saw their income rise rather than fall.

Donations by individuals rose 0.7%, to \$183.73 billion, representing 73% of all giving. Bequests increased 2%, to \$18.1 billion.

Corporate donations rose 10.5%, to \$12.19 billion, mostly through fulfillment of pledges made in 2001. But foundation giving declined 1.2%, to \$26.9 billion.

These and other trends are detailed in *Giving USA 2003*, published by the American Association of Fundraising Counsel's Trust for Philanthropy (AAFRC). Report highlights are available online at www.givingusa.org. Or, order the full report for \$65 from the AAFRC by calling 1-888-544-8464 or visiting www.givingusa.org. [Source: AAFRC press release.]

Merci. Danke. Gracias. However you say it, a thank-you can go a long way toward building loyalty.

Set yourself apart by sending thank-yous between donation requests. Once or twice a year is plenty.

Send handwritten notes to

big supporters. Sending a paper note by regular mail can have more impact than e-mail, which may seem impersonal or get lost in piles of "spam."

But make sure the envelope doesn't look like an advertisement or an appeal. You want the note to be opened and read, not thrown away.

[Source: Kahn, Litwin, Renza & Co., Ltd. newsletter. 951 North Main St., Providence, RI 02904; 401-274-2001; www.kahnlitwin.com]

How generous are YOU? Are you more generous than your average donor? How much do you give to charity each year?

Independent Sector offers guidance: Their "Give Five" campaign promotes donating 5% of your income annually and volunteering five hours per week.

Also, compare your own giving to this data from the Research Institute of America: U.S. taxpayers earning less than \$15,000 gave \$1,329 to charity, on average. Those earning \$15,000 to \$29,999 gave \$1,875.

Individuals earning \$30,000 to \$49,000 per year gave an average of \$1,906 in 2001.

Those earning \$100,000 to \$199,999 gave \$3,761.

Those with incomes of \$200,000 or more gave an average of \$17,842 to charity.

[Source: *The Chronicle of Philanthropy*, June 26, 2003. P.O. Box 1989, Marion, OH 43305; 800-728-2819; www.philanthropy.com]

Running a small business can improve your bottom line. And clients can benefit directly by gaining valuable work experience.

Two-thirds of nonprofit business ventures turn a profit or break even, many within the first year of operation. Groups of all sizes run businesses, ranging from janitorial services to Internet consulting.

For more information, see the report, "Powering Social Change: Lessons on Community Wealth Generation for Nonprofit Sustainability," available free @ www.communitywealth.org or in print for \$12 from Community Wealth Ventures, 733 15th St., N.W., Suite 600, Washington, DC 200025; 202-478-6570.

[Source: "Study of Charity Businesses Finds That Many Earn Profits," Nicole Wallace, *The Chronicle of Philanthropy*, July 24, 2003. P.O. Box 1989, Marion, OH 43305; 800-728-2819; www.philanthropy.com]

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