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Section 1: Overview

The ability to understand, acquire, and manage financial resources is essential for electoral campaigns, advocacy efforts in nonprofit organizations, and work in the offices of elected officials or public agencies. This chapter and Chap. 12 serve as a pair to provide you the necessary information to begin raising and managing financial resources in political settings. Effective political strategies require political social workers to think carefully and strategically about money. As Mutch (2016) describes in regard to electoral campaigns:

Money is necessary because campaigns are expensive, but money alone rarely wins elections. Think of running for elective office as like playing blackjack in Las Vegas. Having a lot of money is no guarantee that you will win, but without money you cannot even get into the game (p. 5).

To help you “get into the game,” this chapter provides an overview of the rules related to fundraising in electoral campaigns and nonprofit organizations and to revenue in public agencies. We focus on key rules that guide practice in each of these settings, including campaign finance laws and Internal Revenue Service rules that govern raising money in nonprofit organizations. We also present resources that can guide you in researching the revenue rules in your own political context. However, when dealing with political finances, we encourage readers to *always consult experts who can help you be up to date in understanding and following all relevant laws.*

Developing Social Work Competency

The Council on Social Work Education establishes educational standards for all social work programs in the USA. Content in this chapter supports building competency in the following areas that are considered core to the practice of social work:

COMPETENCY 5: Engage in Policy Practice

COMPETENCY 6: Engage with Individuals, Families, Groups, Organizations, and Communities

COMPETENCY 7: Assess Individuals, Families, Groups, Organizations, and Communities

Domains of Political Social Work

- | | |
|--|---|
| 1. Engaging individuals and communities in political processes | |
| 2. Influencing policy agendas and decision-making | ◀ |
| 3. Holding professional and political positions | ◀ |
| 4. Engaging with electoral campaigns | ◀ |
| 5. Seeking and holding elected office | ◀ |

Section 2: Campaign Finance History and Practice

Campaign finance refers specifically to the ways in which money is raised and spent in order to fund electoral campaigns (Mutch 2016). **Campaign finance laws** refer to the federal, state, and sometimes municipal laws, regulations, and legal decisions that define the parameters of campaign finance. These laws cover both

raising and spending money. In this chapter, we discuss how these laws guide electoral fundraising. In Chap. 12, we discuss how these laws guide spending in and on behalf of electoral campaigns. These chapters will not make you an expert on campaign finance, but we hope that they will provide a starting point for your political social work practice. We highly recommend Robert Mutch's (2016) book *Campaign finance: What everyone needs to know*, as well as training resources offered in your state (discussed below) to help you learn more.

Federal electoral campaigns follow federal campaign finance laws and report their fundraising and spending to federal oversight. Candidates at the state level (either state-wide or state legislative races) must follow their state's laws and report to their state oversight agencies. Municipal candidates (county, city, town, etc.) may have requirements from the state level, the municipal level, or both to follow. The range of municipal options throughout the country is as varied as the municipalities that exist (Bjerg 2013), so this chapter focuses on the state and federal rules. However, we encourage you to reach out to your state and municipal election officials to be sure that you clearly understand and are in compliance with all relevant rules. In addition, you may wish to check out the Sunlight Foundation's resources on best practices in municipal campaign finance (see Resources).

Campaign Finance History

US campaign finance has had a long and tumultuous history. In Table 11.1, we outline a chronology of key federal campaign legislation (Mutch 2016). Examination of this history suggests that there is general agreement that bribing voters and corruption are bad. At the same time, there are very complicated opinions about the best ways to ensure that corruption is not taking place in electoral campaigns and the role of political spending in free speech.

Recent Developments in Campaign Finance: Citizens United

If you spend much time in the political world or reading coverage of political news, you may have heard people talking about *Citizens United v Federal Election Commission*, a 2010 Supreme Court ruling that created seismic changes in US campaign finance law (*Citizens United v. Federal Election Commission* n.d.). This lawsuit was a challenge to the McCain-Feingold Act/Bipartisan Campaign Reform Act's restrictions on certain "electioneering activities." McCain-Feingold prevented corporations and labor unions from using their general treasuries to fund election communications, meaning that money for these activities had to be specifically raised and set aside for elections. It also required public identification or **disclaimers**, of those who fund election communications. A "Stand by your Ad" provision required ads to end with a statement about whether the message had been authorized by the supported candidate. A video link to some examples from 2008 is provided in the Resources section.

Table 11.1 Key legislation in federal campaign finance history (Mutch 2016)

Year	Law	Description
1907	Tillman Act/Public Law 59–36	First federal campaign finance law. Prohibited corporations from contributing to elections.
1910/ 1911	Public Law 61–274 Public Law 62–32	Required campaigns to disclose from whom they got money and how they spent it. Changes in 1911 required disclosure before Election Day, expanded coverage to include primary and general elections, limited spending on congressional campaigns.
1918	Public Law 65–222	Prohibited bribing voters.
1925	Federal Corrupt Practices Act/Public Law 65–506	Further strengthened campaign disclosure laws by increasing non-election-year reporting requirements. Removed regulation of primary election spending disclosure
1939/ 1940	Hatch Act /Public Law 76–252 Hatch Act II/Public Law 76–753	Prohibited federal government employees from engaging in election campaigns, even if they are not “on duty.” In 1940, expanded to include people who had state jobs funded at least partly from government funds. Also included a \$5000 contribution limit and \$3 million spending limit to federal campaigns.
1943	Smith–Connally Act/ Public Law 78–89/War Labor Disputes Act	Prevented labor unions from making political contributions. The first PAC was created by the Congress of Industrial Organizations (CIO) in response to this act.
1947	Taft–Hartley Act/Public Law 80–101/ Amendment to the National Labor Relations Act	Permanently banned union political contributions and political spending by unions and corporations. Several cases related to this law were subsequently filed by labor unions and their members, at least four of which made it all the way to the Supreme Court
1966	Presidential Election Campaign Fund Act of 1966/Public Law 89–809	This first presidential public funding law authorized placement of a checkoff box on the federal income tax return to create a fund to finance presidential campaigns. After it passed, opposition by both parties kept it from being implemented.
1971	Federal Election Campaign Act (FECA) of 1971/Public Law 92–225	Major update to campaign finance laws. Repealed contribution and overall spending limits while limiting the amount of money that could be spent on media. Legalized labor PACs. Specified oversight responsibility for presidential and congressional election compliance.
1971	Revenue Act of 1971/ Public Law 92–178	Provided tax incentives to those who made small campaign contributions. Implemented the Presidential Election Campaign Fund , the income tax checkoff authorized in 1966; first appeared on tax returns in 1973.

(continued)

Table 11.1 (continued)

Year	Law	Description
1974	Federal Election Campaign Act Amendments of 1974/ Public Law 93–443	Amendments in aftermath of the Watergate scandal imposed stricter restrictions on campaign contributions and campaign spending and firmly established the presidential public funding program. Created the Federal Election Commission (FEC) to enforce campaign compliance and oversee public election funding. In subsequent legal challenges, public funding and the FEC remained, but the Supreme Court struck down limits on campaign spending and regulation of political ads, arguing that political spending should have the same First Amendment protection as political speech.
1976	Federal Election Campaign Act Amendments of 1976/ Public Law 94–283	To comply with the Supreme Court rulings, repealed regulations on issue ads, campaign contribution limits (except when presidential candidates use public funding), added contribution limits for political parties and PACs, limited PAC contributions to parties, and revised rules about PACs.
1979	Federal Election Campaign Act Amendments of 1979/ Public Law 96–187	Decreased the restrictiveness of some disclosure regulations. Exempted some get-out-the-vote activities from the Act’s limits
1986	Tax Reform Act of 1986/Public Law 99–514	Repealed a tax credit for individuals who contributed to political campaigns.
2002	McCain-Feingold Act/ Bipartisan Campaign Reform Act of 2002 (BCRA)/Public Law 107–155	Prohibited national candidates and parties from raising and spending money on nonfederal elections (such as state or municipal elections). Also limited the ability of state and local parties to use their money to pay for party activities. Introduced new rules about electioneering communications : Any ad mentioning a federal candidate within 30 days of a primary or 60 days of a general election must be paid for with money regulated by the FEC, with the ad spending reported. Raised the individual contribution limit to \$2000, allowing it to rise with inflation). Raised the amount that individuals and parties can give to congressional candidates who are self-funded (pay for their campaign with their own money). Several legal challenges have resulted in this law’s weakening, including through the <i>Citizens United</i> decision discussed below.
2014	Gabriella Miller Kids First Research Act/ Public Law 113–94	Redirected money from the Presidential Election Campaign Fund to a pediatric research fund.
2016	Consolidated and Further Continuing Appropriations Act of 2015/Public Law 113–59	Increased by 800% (not a typo) the limits on donations to political parties.

Citizens United is a type of nonprofit called a 501(c)(4) social welfare organization that challenged this law. Citizens United (n.d.) describes its mission as:

an organization dedicated to restoring our government to citizens' control. Through a combination of education, advocacy, and grass roots organization, Citizens United seeks to reassert the traditional American values of limited government, freedom of enterprise, strong families, and national sovereignty and security. Citizens United's goal is to restore the founding fathers' vision of a free nation, guided by the honesty, common sense, and good will of its citizens.

Citizens United asked to be exempted from the provisions of McCain-Feingold for producing and allowing free downloads of *Hillary: The Movie*. This movie “expressed opinions about whether Senator Hillary Rodham Clinton would make a good president” (Citizens United v. Federal Election Commission n.d.). (Spoiler alert: they did not think she would make a good president.) A link to the trailer of this highly controversial movie is listed in the Resources section at the end of this chapter. A District Court ruled against Citizens United's argument. Citizens United then appealed this ruling to the Supreme Court. The Supreme Court denied Citizens United's eligibility for an exemption. However, the Court took the opportunity to instead ask Citizens United to submit arguments as to the constitutionality of the relevant provisions of the law (Mutch 2016).

Ultimately, in a final 5–4 decision authored by Justice Anthony M. Kennedy, the Supreme Court ruled that the First Amendment protects independent political communications regarding candidate elections. Therefore, corporate funding of these communications could not be limited. Essentially, the Court upheld McCain-Feingold's disclosure requirements while ruling that political contributions are protected political speech. As a result of this decision and related decisions in *Speechnow.org v. FEC* a few months later, the Sunlight Foundation and other watchdog organizations expect that campaign spending will continue to grow. Much of these monies are expected to go to organizations that don't have to disclose the names of their donors (Watson 2016).

FURTHER REFLECTION: Political Donations and Free Speech

As the history above outlines, there are strong disagreements in the USA surrounding campaign finance. In 1975, Supreme Court Justice Potter Stewart summarized one side of this argument as “money is speech and speech is money,” essentially that political donations are a form of constitutionally protected speech.

In his 2010 *Citizens United* dissent, Supreme Court Justice Paul Stevens stated an opposing argument: “The conceit that corporations must be treated identically to natural persons in the political sphere is not only inaccurate but also inadequate to justify the Court's disposition of this case.” He argues that corporations do not have the same free speech constitutional protections as individuals.

Reflecting on these arguments, do you believe that political contributions from corporations should be treated as a form of constitutionally protected political speech? Why or why not?

Current Federal Campaign Finance Practices

In addition to specifying how money can be given and spent, campaign finance laws specify whether and how donations must be publicly disclosed. **Disclosure** refers to rules about which donation details must be shared, e.g., regarding who gave how much money and to whom. While the laws, court decisions, and subsequent regulations discussed above address these issues, much of how campaign finance is currently handled also reflects the evolution of practices over time. This combination of federal laws and practices is quite complex.

While federal campaign finance law specifies how these processes take place, it is campaign finance practice that has defined different “types” of political donations. Those who work in campaign finance currently divide donations to federal candidate campaigns or to organizations trying to affect federal campaigns into three different “types” depending on where the money came from and how it was disclosed (Mutch 2016). The most common terminology used refers to donations that are hard money, soft money, and dark money.

- **Hard money** is “difficult to raise and easy to spend” (Marcus 1997, n.p.). It refers to campaign contributions donated by individuals within the limits set by federal laws such as FECA. These contributions can be given to either a party or candidate and can be spent on almost anything related to a campaign. These donations must be disclosed.
- **Soft money** is the opposite: easy to raise, but difficult to spend. It includes contributions from corporations or from individuals who donate outside the FECA maximum for candidates. Candidates cannot directly raise soft money. When political parties raise soft money, it is only supposed to be used for general election-related activities like getting out the vote, or administrative expenses, not to support a particular candidate. These donations must be disclosed.
- **Dark money** refers to contributions that are not required by law to be disclosed, often because they were given to 501(c)(4) organizations that are not obligated to report their donors (Yeager 2015). Those who oppose campaign finance disclosure laws call this “anonymous speech” (Mutch 2016).

At the federal level, the Federal Election Commission (FEC) oversees disclosure. To meet disclosure requirements, over 100,000 reports are filed with the FEC from federal candidate campaigns, parties, and nonprofit organizations each election cycle, including the name, address, occupation, and employer of everyone who gives more than \$200, and everything the campaign spends that exceeds \$200 (Mutch 2016). The FEC is required to make the information public within 48 hours of the time it is received from the campaign (see Resources for a link to this information).

Restrictions on the size and source of campaign contributions (called **receipts** by the FEC) as well as on spending campaign funds depend on the type of donor and the type of organization that receives the donation. For example, as of 2017, the maximum an individual can donate per *federal* candidate per election is \$2700. An

individual also can donate up to \$5000 a year to a federal PAC, \$10,000 per year combined to FEC-specified state, district, and local party committees, \$33,900 per year to a national party committee, and up to \$101,700 to special national party accounts. Special party accounts must be specifically for any of the following: a headquarters building, a national party convention, and/or for election recounts or other legal procedures. If a national party has an account for each of these three special purposes, an individual can donate up to a maximum of \$339,000 to that party in a year (Federal Election Commission [n.d.](#)).

State Campaign Finance Laws

Each state has its own sets of requirements regarding raising, spending, and reporting on political money. The requirements states set apply to state campaigns and typically to municipal campaigns. State requirements about how much individuals can contribute to *state* and *local* candidates and parties are widely divergent. For example, in Alaska, an individual can contribute no more than \$500 to a gubernatorial campaign per year, while in Texas, individual contributions to a candidate for governor are unlimited (National Conference of State Legislators [n.d.](#)).

Including Texas, 12 states have no individual contribution limits to state and municipal candidates (National Conference of State Legislators [n.d.](#)). The majority of states allow corporations to donate to candidates, with no limits on corporate funding in four states (Missouri, Oregon, Utah, and Virginia). Nine states and some municipalities such as New York City offer limited public subsidies to candidates who meet specific rules, typically referred to as **public financing**. Arizona, Connecticut, Maine, and New Mexico offer “Clean Elections” funding. This refers to full public funding for candidates who are running for governor, lieutenant governor, and the state legislature if they raise a certain amount of funding in small donations from individuals within their districts and agree not to spend more than a state-specified amount (Miller 2014). Fourteen states require that large donations (typically more than \$500) be reported within 48 hours.

Disclosure laws often require candidates to collect information about a donor, such as their occupation, employer, and the employer’s location, in order to accept the money. If you are a candidate or raising funds for a candidate, it is critical that you learn these laws for your specific state. Figure 11.1 shows an example of a donation page, used by social worker Diego Hernandez ([n.d.](#)) in his successful 2016 race for State Representative in Oregon. You can see in the bottom section the information required to be collected from donors by Oregon law.

A **coordinated campaign** generally takes place when a political party works together with campaigns to get candidates elected (Garrett and Whitaker 2016). Typically, the party and the campaigns work together to do early identification of voters, messaging, or get out the vote for candidates (Federal Election Commission 2015). For example, a state political party might work to get out the vote for all candidates it endorses. If you are running any kind of federal-state coordinated campaign, federal candidates will need to be aware of both federal and state rules and

If you would like to contribute by check, please make your check payable to "Friends of Diego Hernandez" and mail it to:

Friends of Diego Hernandez
P.O. Box 42307
Portland, OR 97242

You must include your occupation, employer, and employer city & state on your check.

Oregon offers an income tax credit to Oregon tax filers who contribute to qualifying state, federal or local political campaigns. The total credit is limited to \$100 on a joint return or \$50 on a single or separate return. Please see Oregon.gov for details. Contributions or gifts to this campaign are not tax-deductible for federal income tax purposes.

Fig. 11.1 Diego Hernandez campaign website donation page (<http://www.diego4oregon.com>)

their limitations. In general, a disbursement of funds that is coordinated with a candidate’s campaign counts as a contribution to that campaign (Macleod-Ball 2014). As with contribution limits, state rules on coordinated campaigns vary significantly, impacting how campaigns coordinate in your state. The resource section of this chapter includes links to information about coordinated campaigns, and to the National Conference of State Legislatures (NCSL) and Follow the Money, both of whom track issues related to campaign finance at the state level.

Section 3: Planning to Raise Money

With this primer on campaign finance law, we now explore important considerations surrounding raising funds in political settings and in macro settings where political social work practice may take place. We specifically explore factors relevant in political campaigns, in nonprofits that may engage in advocacy, lobbying, or voter engagement work, and in public agencies where policy is made. These factors include the type of organization, the expected sources and amounts of revenue, the timeline within which revenue is likely to be raised, and the methods available to raise the specified amounts of money from those sources. The authors gratefully acknowledge Kate Coyne-McCoy for many of the fundraising insights discussed in this chapter.

Expected **revenues**, or income available to your organization, come from a variety of sources depending on the type of organization in question. Plans to raise donations or contributions should be connected to your strategic plan and to your budget. While we do not discuss budgeting until the next chapter, planning,

budgeting, and fundraising go hand in hand. You cannot raise money without a resonant message or without people who can help communicate that message. However, you cannot effectively communicate your message without the necessary funds.

Both nonprofits and political campaigns may put together revenue plans. In a nonprofit, such plans may involve planning both for the current year and for the long-term health of the organization. In a political campaign, your revenue plan is commonly referred to as a **finance plan**. This plan spells out exactly how much money you seek to raise on a quarterly, monthly, and often a weekly basis. Your fundraising goals may differ from month to month or week to week as the campaign goes through different stages. Your finance plan should include procedures to track your revenues at each of these time periods, so that you know when you are behind, meeting, or exceeding your goals.

Sources and Amounts of Revenue

Electoral Campaigns

Candidate campaigns are funded primarily through individual donations. These typically come in two forms: **small-dollar donations**, sometimes as little as \$3 or \$5, and **major donor donations**. As allowed by federal and state laws, campaigns may receive in-kind donations and additional support from political parties. Other campaign types may have access to other sources of funding. For example, political parties are permitted to receive corporate donations.

Individual donations given in support of the two main 2016 presidential candidates amounted to nearly \$2.4 billion (Narayanswamy et al. 2016). Of those donations, however, less than half were given directly to the candidate's campaigns. The majority of funds were given to organizations that were not technically affiliated with either candidate, but were instead organized to campaign on behalf of one or the other candidate. Of the money raised in support of Hillary Clinton, 45% was given directly to her campaign, 42% was given to Democratic Party committees, and 15% was given to Super PACs. Of the money raised in support of Donald Trump, 35% was given directly to his campaign, 57% was given to Republican Party committees, and 8% was given to Super PACs.

Keep in mind that these amounts discussed above only include hard and soft money, as dark money does not have to be disclosed. These amounts also do not include the \$658 million raised by other Democratic presidential candidates and their supporters or the \$740 million raised by other Republican presidential candidates and their supporters (Narayanswamy et al. 2016). These numbers highlight the huge amount of money spent on presidential politics. They also illustrate the complicated web of organizations involved in political fundraising and why concerns are consistently raised about the influence of money in politics.

In discussing electoral campaign fundraising, it is important to note that fundraising is not always directly linked with an election victory. It seems logical that the candidate with the most money is most likely to win the election. While this is true in many cases, it does not always explain the election outcome. Perhaps a

candidate's win was not due to having more money, but rather, the candidate raised more money because people like to back the candidate they perceive as a winner. Also, the candidate who raises the most money does not always win. In the 2016 US presidential election, for example, Hillary Clinton lost, despite her campaign, party committees, and PACs outraising those of Donald Trump by more than \$442 million (Narayanswamy et al. 2016).

Nonprofit Agencies

Political social work practice often takes place in **nonprofit organizations**, especially those that engage in advocacy, lobbying, and/or voter engagement. While we have discussed nonprofit organizations throughout this book, in this context, it is necessary to underscore the relationship between nonprofit organizations and their revenues. Nonprofits can use their revenues only to maintain the organization and to provide services. While nonprofits can bring in a “**profit**” by raising more money than they spend in a given year, this profit cannot be given to staff or board members. Instead, it must be invested in the organization's future. While we commonly think of some nonprofit organizations as providing social welfare services, in the political world, the term “social welfare organization” has a specific meaning, referring to a specific type of nonprofit, often formed to promote a specific ideological agenda.

The federal Internal Revenue Service and associated federal laws and regulations guide how nonprofits can raise and spend money and the political activities that they are permitted to carry out. Federal law identifies different types of nonprofits, each with different rules around how they manage and spend money. These rules are outlined in detail by type of nonprofit in Chap. 12.

Table 11.2 shows the variety of sources that typically fund US nonprofits (McKeever 2015). These sources are discussed in detail through the rest of this section. The largest overall source of nonprofit revenues comes from fees for services and goods that private sources pay. This is sometimes referred to as **earned income**. Most of this money comes into private universities and nonprofit hospitals, with fees for services and goods including such items as tuition payments, ticket sales, and hospital patient payments (not including Medicaid and Medicare). Fees for services and goods also may include **membership fees** (if your membership gets you admission to a museum, for example) or membership contributions (Tschirhart and

Table 11.2 Nonprofit revenue by source (McKeever 2015)

Source	Percent of revenue for all reporting charities (%)
Fees for services and goods (private sources)	47.5
Fees for services and goods (government contracts/Medicaid/Medicare)	24.5
Private contributions	13.3
Government grants	8
Investment income	4.7
Other income	1.9

Bielefeld 2012). Membership fees are distinct from “membership drives” like the kind you might hear about on public radio. Fees are essentially a price of admission, whereas contributions are not required to access a service. Fees for services and goods from government are those moneys that come from government contracts, Medicaid, and Medicare (McKeever 2015). Generally, to receive these fees, a nonprofit provides services that have been purchased by the government using a **government contract**. A government contract is a transaction agreement developed between the nonprofit and a government (Tschirhart and Bielefeld 2012).

Private contributions to nonprofits are often referred to as **philanthropy**. As defined by Robert Payton, philanthropy is “voluntary action for the public good” and is a subset of **charity**, gifts to those in need (Tschirhart and Bielefeld 2012; Lenkowsky 2011). These donations may come from individuals, organizations, or other nonprofits. **Foundations**, donor organizations that are set up to provide funding to other nonprofits, are one source of philanthropy. Of the private contributions made to nonprofits in 2016, 72% (almost \$282 billion) was given by individuals, 15% (\$59 billion) from foundations, and 5% (\$18.5 billion) from corporations (Giving USA Foundation 2017). An additional 8% (\$30 billion) came from bequests (McKeever 2015).

These philanthropic private contributions may be monetary or **in-kind**, referring to donations of a product or service rather than money. They may be given for a specific purpose, for example to a specific program or scholarship, or as **unrestricted** funds, meaning they can be used for anything the organization or campaign chooses. They may be given immediately or as a **pledge**, a promise of a future gift. They may be **solicited** through a specific appeal or request or **unsolicited**, given of the giver’s own volition, without a specific ask. Contributions may be publically recognized or given anonymously, to the extent allowed by law (Tschirhart and Bielefeld 2012).

As with electoral campaigns, individual donations come as small-dollar donations and as major donor donations. The size of the nonprofit and its fundraising campaign typically determines what is considered a small-dollar amount or a major donor amount. For a grassroots nonprofit, anything over \$100 might be considered a major donor, while a large nonprofit like a university might consider major donors as those whose giving is over \$100,000. Individual donations are an important area of nonprofit fundraising. We provide guidance on making an ask below, but recommend the Tschirhart and Bielefeld (2012) book listed in the resource section if you are interested in learning more.

Revenue to nonprofits can also come from **government grants**, financial assistance to a grantee that must generally be used for a public purpose. While both grants and contracts are often competitive, government grants are significantly different from the government contracts discussed above. Generally, contracts require more reporting, are less flexible, and are governed by more regulations, with financial consequences if the goals of the contract are not met (University of Pittsburgh Office of Research 2017).

For small nonprofits, **investment income** may not be a significant source of income, but it can be substantial for many larger nonprofits. Investment income is

Table 11.3 Federal government revenue in 2015 (Center on Budget and Policy Priorities 2016)

Tax	Percent of total revenue in 2015 (%)	Progressive or regressive
Individual income tax	47	Progressive
Payroll tax	33	Regressive
Corporate income taxes	11	n/a
Excise, estate, and other taxes	9	Generally regressive

an optional revenue source for organizations that are able to set aside a significant amount of money for an **endowment**, a permanent fund that is invested. Income from that investment is then returned to the organization to be used to further the organization's goals. For example, Yale University's current endowment is \$25.4 billion (Yale Investments Office 2016). Income from this endowment supports 34% of the university's operating expenses. Generally, nonprofits try to spend no more than 5% of their endowment each year (Tschirhart and Bielefeld 2012).

Public Agencies

Unlike political campaigns and nonprofits, governments do not rely heavily on voluntary individual donations. The federal government and therefore its agencies and programs are funded primarily by income, payroll, corporate, and other taxes. These taxes can be considered either progressive or regressive. A **progressive tax** is one in which higher income households pay a larger share of their income in tax than lower income households. A **regressive tax** is one in which lower income households pay a higher percentage of their income toward the tax than higher income households.

The largest source of revenue for the federal government in 2015 was income taxes paid by individuals, approximately 47% of total federal revenue that year (Center on Budget and Policy Priorities 2016), as shown in Table 11.3. Payroll taxes automatically come out of almost all workers' checks, with a share also paid by employers. These taxes, 33% of revenue, pay for Social Security and Medicare Hospital Insurance (FICA). (Unemployment insurance, a state-operated program, also comes out of payroll taxes.) The maximum amount of wages subject to the 6.2% Social Security tax is \$127,200 as of 2017; any wages above that are not taxed (Schreiber 2016). For FICA, 1.45% is charged on all income, with no limit. Corporate income taxes made up 11% of federal revenue. Excise, estate, and other taxes make up the remaining 9% of federal revenue. **Excise taxes** are taxes for a specific good such as fuel, alcohol, or tobacco. **Estate taxes** are tax assets above a certain threshold (\$5.49 million in 2016) owned by an individual upon their death (Center on Budget and Policy Priorities 2016; Internal Revenue Service 2016).

Taxes are the primary funding source for state government agencies as well, with revenue coming from property, sales, income, corporate, motor vehicle, and/or other taxes (U.S. Census Bureau n.d.; Malm and Kant 2013), as shown in Table 11.4. While property taxes comprise a small percentage of state tax revenues overall, there is a lot of variation among states in terms of property taxes. Fourteen states do not collect any state-level property tax, while property taxes comprise 34% of state

Table 11.4 Taxes collected by state governments, 2016 (U.S. Census Bureau [n.d.](#); Malm and Kant [2013](#))

Category	Total amount collected	Percentage of overall taxes collected (%)
Sales/gross receipt taxes	\$442,909,995	47.6
Income taxes	\$392,286,910	42.2
License taxes	\$ 52,164,396	5.6
Property taxes	\$ 18,364,298	2.0
Other taxes	\$ 24,538,146	2.6
Total	\$930,263,745	100

tax revenue in Vermont (Tax Policy Center [2016a](#); U.S. Census Bureau [n.d.](#)). Local governments raise money from some of these same sources, especially property and sales taxes (Tax Policy Center [2016b](#), see Resources for more information about municipal revenue). In fact, property taxes comprise almost half (47%) of local government revenue and are particularly important for school districts (Tax Policy Center [2016a](#); U.S. Census Bureau [n.d.](#)). The connection between property taxes and schooling in the USA has been linked with issues of education inequality, providing a compelling example of how the process of funding government can relate to social justice outcomes (Ostrander [2015](#)).

Taxes are not the only source of state revenue. In Connecticut, for example, while 84% of revenue comes from taxes, revenue also comes from federal grants, licenses, permits, fees, revenue from casinos run by the Mashantucket Pequot tribe, rents paid to the state, investment income, and sales of commodities and services (Connecticut Office of the State Comptroller [2016](#)). State budgets also may include revenues from sources such as lottery tickets, services provided to residents, unclaimed property, or government-owned resources (for example, the Alaska Permanent Fund). State and local agency budgets also may include money transferred from the federal government through grants designated for specific purposes, such as education or transportation. For example, in 2018, states are expected to spend approximately \$92 billion on Medicaid expansion, 90% of which is in transfers from federal funds (National Association of State Budget Officers [2017](#)).

Revenue Timelines

In planning your organization's work, realistically estimate how much time it will take to raise funds from different sources. This will help you make decisions about what sources of revenue to seek. Consider the turnaround time between when you request money, when the donor pledges it (whether an individual donor, foundation, or grant), and when it will come into your bank account. When considering tax revenue, some types of taxes are paid annually, while some are paid twice per year or quarterly. These considerations are relevant for multiple reasons. First, they help you determine what funds will truly be available for the activities your organization

intends to carry out. Second, they help you determine how to prioritize approaching various revenue sources so that you can raise money at the times you need.

There are often benefits to raising funds quickly in political social work practice. In electoral campaigns, raising money quickly is a way to prove your candidate's **viability**, meaning it is one sign that your campaign is capable of success. An early show of fundraising ability might convince another candidate to stay out of the race, because they worry they cannot keep up with you. It also might convince those who have the power to help you get on the ballot that you are committed to the campaign and have a good base of support. Raising early money also can help you access early media attention, attract experienced campaign staff, and help voters think of you first before other candidates. The classic example of this strategy is EMILY's List, one of the biggest PACs in the country. EMILY stands for Early Money is Like Yeast. The name is intended to paint a picture of the yeast that makes dough rise (Malcolm and Unger 2016). Early money makes it easier to raise money ("dough"). Research on congressional campaigns suggests that early money improves the ability to succeed with fundraising later in the election cycle particularly for first-time candidates (Biersack and Wilcox 1993).

It is important to note that fundraising may go through different phases. It may be easiest to raise money from personal contacts and strong supporters at the beginning of a campaign, while contributions from individual or organizational donors who will take more development (PACs, allies, external networks, etc.) may come later. Fundraising events that introduce the campaign or organization to potential new donors may be well situated at times where you anticipate a slower rate of individual contributions. In Section 4, we list individuals who will make up the core of your potential donors. We recommend in planning your revenue timeline that you start with asking those with the closest relationship to you and then move your way down the list.

Nonprofit and public agencies also may face situations where they need to have **seed money** on hand. Seed money refers to money designated to start a specific project. This money is referred to as seed money because it is intended to help you grow other money. It works in a similar way as early money in campaigns. Having seed money on hand shows that nonprofits or public agencies are committed to the project and will be ready to put money into action when they apply for grants from government or private sources.

As you consider *how* you will go about raising revenue for your political work, keep these timeline issues in mind. Do you have time before the funds are needed? Seek and apply for a grant or contract that connects with your mission. Do you need money quickly? Instead of planning a big dinner that takes 6 weeks to happen, pick up the phone and call some committed supporters or past donors. Are you cultivating a large donor who wants to first see that you have support from a lot of small-dollar donors? A direct e-mail solicitation that asks people to contribute \$5 online to show that they support your mission, issue, or candidate might be just the thing. Develop a calendar as part of your strategic planning process that includes the specific dates by which you will need money. Work backwards from these dates to

implement specific methods (described in the section below) that will ensure that your funds will be raised and in-hand by these dates.

Methods of Fundraising

While revenue may be raised from a number of sources as described above, this section focuses primarily on raising private contributions. This is a crucial skill for political social workers who practice in political settings, especially with electoral or advocacy campaigns or in nonprofit organizations. In Table 11.5, we outline common methods that are used in political fundraising, as well as relevant considerations in using each method. We include cost estimates for engaging in each of these methods; however, please note that the cost estimates are generalized over many different types and sizes of campaigns. They include assumptions that may not be true for your organization. The more experienced and efficient your organization's fundraising efforts are, with an eye toward ways to stretching your money, the lower these costs will be across the board (Affinity Resources n.d.).

Fundraising methods that involve direct personal contact with your own constituencies (whether voters in your district or people in the community your organization serves) are an important part of fundraising. They should remain a critical part of your revenue plans, even as online fundraising methods grow in usage. At the same time, we encourage you to be attuned to the growing use of digital fundraising, and the potential it provides for raising funds rapidly from both within and outside your community. At the time of this writing, knowledge about how to do this effectively is quite young. Tools and approaches are constantly being developed and tested, often in real time. One common approach is to include website and donation links in all videos related to your campaign or organization. In the Resource section, we include a 2017 campaign video from a Wisconsin Congressional candidate, engaged in a race to unseat the incumbent Speaker of the US House of Representatives, Paul Ryan. This engaging video illustrates the potential of digital fundraising. It went viral, capturing nearly half a million views in its first 2 weeks, and raising challenger Randy Bryce's campaign over \$100,000 in 24 hours (Stafford 2017).

Electoral campaigns often have a **finance committee** that helps with fundraising. Members of the campaign or candidate finance committee are supporters who solicit contributions to the campaign and may make spending decisions in order to influence voters' actions in the specific election. Typically, the finance committee members solicit major donor donations. Your campaign also may seek out **bundlers**, individuals who solicit and collect contributions to the candidate from other individuals and deliver them to the candidate in a "bundle." This is a role that your major donors may play; consider asking them to solicit other donors to your candidate or cause. It must be done thoughtfully and with a clear understanding of relevant campaign finance law in order to be an effective tool, however (Davidson 2015).

Table 11.5 Methods of fundraising in settings where political social work practice takes place

Method	Types of settings	Description	Cost	Timeline
Board solicitation	Nonprofits	Nonprofit board members give money and/or solicit their networks. In many boards, this is a requirement for board service—in colloquial terms, this is often referred to as “ give/get , or get off” the board.	Minimal	Can be scheduled throughout the year and used to create seed money for advocacy work. Direct donations from board members may come relative quickly; money from networks can take longer.
Call time (also called dialing for dollars)	Electoral and nonprofits	Electoral campaigns generally rely heavily on this method, literally calling potential donors individually one at a time to ask for money. Nonprofits also might use phone calls to raise money for the organization or advocacy campaign, but more likely as a follow-up to an event or mail solicitation.	Minimal, other than staff time	Requires substantial time. Funds generally come in immediately, especially if you ask for payment method while you have them on the phone
Capital campaign/ major gift efforts/ planned giving	Nonprofits	Large drive focused on major donors, often with a substantial, public fundraising goal. Asks are often made in small or one-on-one meetings with donors and staff, organizational leadership, and/or board members.	Staff or board leadership and time required. May cost \$0.05–0.10 per dollar raised for capital or major gift campaigns, \$0.25 per dollar raised for planned giving	Requires significant relationship-building with donors over the long term.

(continued)

Table 11.5 (continued)

Method	Types of settings	Description	Cost	Timeline
Digital	Electoral and nonprofits	Increasingly used, especially by electoral campaigns. Includes placing donation links on campaign videos and in social media shares so viewers can donate on the spot as well as online advertising, which can be specifically targeted.	Generally nothing or next to nothing. With videos, you are already spending this money anyway, capitalizes on interest in your candidate, even from outside of your district. Cost of online advertisement can vary depending on the number of ads you buy.	Funds come in immediately if you connect to an online donation site.
E-mail solicitations	Electoral and nonprofits	Easy to send out. Tend to have very low open rates (number of e-mails that actually get opened) and click rates (number of people who actually click on the link). Low response rates of people who actually give money.	Minimal	Funds come in immediately if you connect to an online donation site.
Events (other than house parties)	Electoral and nonprofits	Types of events vary widely. May range from an informal event where donations are suggested to a VIP event with private candidate face time for major donors.	Tend to be very staff intensive. May cost as much as \$0.50 for every dollar you raise. Sufficient cash flow may be needed to pay for expenses before event.	Money tends to take a while to come in. You might put a substantial amount of money into paying event costs for weeks or months before you start to see a return. Money should come in immediately on the night of the event, either through checks, credit cards (use an app where they can swipe the card there), or people donating online at the party.

Grant writing	Nonprofits	Requires identifying potential government or foundation grant opportunities, writing grant applications. Some funders fund advocacy campaigns. Staff expertise a plus.	Mostly in staff time: May cost \$0.20 per dollar received.	Money comes in over the long term, often with specific requirements attached.
House parties	Electoral and nonprofits	These are informal events, hosted by supporters, often in their own home. Hosts often invite their own networks to meet with the candidate.	Typically an in-kind donation from the event host.	Because these take less time to plan than other campaign events, the money comes in faster overall. Money should come in immediately on the night of the event, either through checks, credit cards (use an app where they can swipe a card on-site), or people donating online at the party.
Mail solicitations	Electoral and nonprofits	These can take up a significant amount of resources and time to send out. They have a lower response rate than more active methods (like call time), but a higher response rate than more passive methods (like emails) (Charity Science <i>n.d.</i>).	Anywhere from \$0.20 if you are soliciting people who have given in the past to \$1.25 if you are soliciting new donors, per \$1.00 raised. The high cost is considered an investment in identifying new donors.	Long wait time for checks to come in. If you provide a website option, some people will donate there instead.

Before you begin your fundraising, set a goal for each method of fundraising, and know how much of your overall budget you plan to secure through each method. In an electoral campaign, try to identify how much was raised and spent in your specific race in the past (in the same way that you look at prior elections to assess prior to voter turnout). Sites like Open Secrets or reviewing FEC reports from prior elections in your district (see Resources) can help you estimate your budget.

An example finance plan for an electoral campaign (say a state legislative race) that needs approximately \$100,000 is outlined in Table 11.6 (based loosely on the sample plan created by Wellstone Action (n.d.)). The finance plan describes how much money you will need to raise from each method you use. You can use a similar process for planning donations to nonprofits. How you calculate your plan varies depending on how much money you are allowed to get from each donor, rules in your state about donations, etc. Your plan should also outline the times in the campaign when you will conduct each type of solicitation. Also develop a plan for monitoring each method, determining what is successful, and making adjustments based on those outcomes.

Table 11.6 Sample finance plan (November general election, no primary)

Method	Goal	Percentage of total budget (%)	When to implement
Call time (20 hours per week)	\$40,000	40	May–November
Donations from PACs	\$20,000	20	August
Events/house parties	\$25,000	25	House parties in May and August, events June–July
Digital fundraising	\$10,000	10	May–November (emphasis right before major disclosure deadlines)
Direct mail	\$ 5000	5	May, August

POLITICAL SOCIAL WORKER PROFILE: Steve Kornell, MSW
Member, St. Petersburg City Council (Fig. 11.2).

Fig. 11.2 Steve Kornell, MSW



(continued)

In 2008, I volunteered as the Deputy Campaign Manager for a State House race in my hometown of St. Petersburg, Florida. The candidate was a wonderful person with a strong message. Unfortunately he was outspent by a 5 to 1 margin and lost his bid for office by a wide margin. I learned that fundraising is an essential part of a winning campaign. Campaigns that do not raise enough funds to reach a threshold of viability are unsuccessful in placing their preferred candidate in elective office. Voter communication wins campaigns and that communication is not free.

Shortly after this experience I filed to run for an open seat on the St. Petersburg City Council. My earlier campaign experience left me determined to raise the necessary money to make my own campaign viable. This was not easy. I was tentative at first—asking friends and family for campaign donations was uncomfortable. My presumption had been that some people are natural born fundraisers, but by the end of my first campaign, I knew better. Fundraising is a learned skill, perfected through hours of practice. When I felt discouraged, I reflected on my experience from the earlier campaign, helping me summon the courage to make “the ask.”

Over time, my small campaign developed a strong fundraising operation. I would sit in my campaign’s donated office space, with my two paid campaign staffers by my side, calling potential donors. Doing this for hours at a time was not my favorite way to spend a day. However, the potential to lose my campaign due to being outspent by large donations from special interests pushed me to keep going.

In its entire 106-year history St. Petersburg had never elected an openly gay City Council member. Breaking that barrier strongly motivated me to raise the needed campaign funds. Homophobic attacks were a real possibility and countering potential attacks would take money.

I learned to not let negative people deter me from my goal. If people became upset that I was calling for donations, I was quick to explain why I was the better candidate. I pointed out the homophobic attacks that happened to previous candidates. I spent hundreds of hours on the phone persuading perfect strangers to donate money to help me run a vigorous campaign. Over time, I became more comfortable with the process.

One day, I was scheduled for a full day of fundraising calls at my campaign office. I tried every possible excuse to get out of it, but my campaign manager did not let me off the hook. The entire morning was a disaster. I was yelled at by several people. As lunchtime approached, I had not secured a single donation. Next door to the office was a restaurant with an outdoor patio. I noticed a friend having lunch. Needing a break from my frustrating morning, I walked over to say hello. As it turned out, my friend’s lunch companion had a strong interest in local politics. After lunch he came to the campaign office and made a \$500 donation to my campaign. Had I stayed in bed that morning, this would have never happened. The very next call you make could be the one that changes your day, or even the trajectory of your entire campaign.

(continued)

On January 2, 2010, I was sworn in as the first openly gay City Council member in St. Petersburg history. My winning campaign raised the most money ever in any City Council election up to that point, approximately \$72,000. As a school social worker I did not have a large group of wealthy friends, so raising this money was not easy. If I can do it, you can too!

Section 4: Making a Fundraising “Ask”

Many of the methods listed above require that you ask individuals for money, whether in your role as a candidate or as a staff member. You may be asking individuals to contribute their own money or funds on behalf of their foundation or business. Particularly in an electoral campaign, whether you are running for president or governor, school board or dog catcher, if you want to raise money, you will need to ask for money from individuals (Mutch 2016). While some people contribute money without being solicited, the vast majority need to be asked to give (Tschirhart and Bielefeld 2012).

SELF-ASSESSMENT: Asking for Money

What is your initial reaction to the thought of raising money directly from individuals? Before you continue, write down the thoughts, feelings, and words that come to mind.

If you are like many people, you shy away from the idea. Asking for money might feel rude, intimidating, or scary. However, consider whether asking people to help support a campaign might promote the social work goal of *empowerment*. By asking individuals to contribute to your candidate or cause, you may be providing them an opportunity to contribute to a goal that is important to them, and one that presumably will help their community, family, or society. This may be a way that they can be part of an effort to make something good happen. One tenet of empowerment is to trust others to make the best decisions for themselves. When we ask people to participate in our campaigns and organizations, we are trusting them to make the decision about whether they are able to contribute.

Who Do We Ask For Money, And Why Do They Contribute?

When thinking of the people who might give money to your candidate, issue, or organization, reflect on the many reasons why people typically donate to individuals, causes, or organizations. Below we outline groups of people we might ask for money and why they might be motivated to donate. Social exchange theory suggests that many people donate because they perceive a benefit to themselves from doing so (Tschirhart and Bielefeld 2012). For each of these groups, we consider what their benefit might be.

1. **You!** If the candidate or staff and board members of a nonprofit give of their own resources, that shows they believe in the cause. Don't have much to give? That's ok, just the simple act of giving is important. Many nonprofits start a fundraising campaign by asking everyone on the board or everyone who works there to contribute as little as a dollar. Keep in mind that there can be ethical issues in asking staff members to donate. Is there a power differential between those asking and giving? Are people free to refuse if they are not able or prefer not to give? Do not ask people who are government employees of elected officials to donate to the campaign of their employer, as that violates many ethics rules.
2. **People who love you.** Family and close friends are an important audience for a fundraising ask. An urban legend which illustrates this point is the saying that the most consistent donors to many nonprofits are the parents of the executive director. The motivation for this group is that they care about you and want you to be happy and succeed. They may be your parents who just do not want you to have to move home and live in their basement. They also may share many of your ideals and values. People who care about you often see your involvement with an organization or a campaign as validation that it is worth their investment.
3. **Allies.** These are people who believe in the same things that the candidate or organization cares about. They are ideologically similar to you, and electing your candidate or getting your advocacy issue advanced is something they want to support. Your success moves their own goals forward.
4. **Enemy of your enemy.** These people do not have a particular interest in you, but they *really* do not like your opponent or those who are working on the other side. They know from experience that your opponent will not listen to them or be receptive to their views. They may support you just to ensure that the opposing side does not win.
5. **Power.** These are people who might not believe in the same things as you, but they think that supporting you will be helpful to them. They may benefit through a tax donation for a gift to an eligible nonprofit, a chance to help shape the outcomes of an issue or a candidate election, increasing their social or business standing, or through an eventual policy outcome. Maybe they are in your political party, and electing your party is good for them. While these individuals might be hesitant at the beginning, they may be more likely to give later in the campaign once you show that you are a force to be reckoned with. This way they can be sure that they are on your good side if and when you win. Often this group will only donate money once you have shown yourself to be an effective fundraiser.

Regardless of the other motivations they hold, it is important to keep in mind that individuals from each of these groups give because *they were asked*. You might hope that people will hear about your important campaign or read an article about you running for office and decide they just have to donate, but those individuals are few and far between. Even if someone wants to do this, what are the chances they will have the urge, remember, look you up, find your website, and type in their credit

card number? A direct ask can make the difference between an interest and an actual contribution.

In an electoral campaign—this same approach can work in a nonprofit or other political setting—candidates are typically encouraged to set up a spreadsheet with all of their contacts. It is useful to start making this list before you even begin running for office—this can be a version of your holiday card list. As you develop this list, save a copy of it online, so you do not lose it if something happens to your computer. Plan to maintain and update it throughout your campaign using software specifically designed for campaign contact tracking. Good-quality contact tracking software will help you stay in compliance with campaign finance law, making it worth the investment.

In this spreadsheet, literally list everyone you know. Then, go back and expand this list even further, using the categories listed above. Are there old acquaintances, colleagues, and neighbors who would remember you and might be interested in seeing you in office? You might find it helpful to think about this as a somewhat similar process to the eco-map you may have developed as part of your social work education. An eco-map is a tool often used to help map out formal and informal supports and connections for an individual or a family. As you begin to develop your fundraising list, instead of focusing on a client's supports and connections, identify your own formal and informal connections. Once you have drafted your fundraising contact list, consider reviewing it with a few friends and family members who can help you think about whether your list is as complete as possible and who can help add to your map.

Once you feel like your list is complete, add two columns to it. The first (and most important) column is the amount that you will ask for from each person on the list, taking relevant campaign finance laws into consideration. The second column is the number that each person can raise for you if they go to their network to get money or hold a fundraiser for you. In asking for cash donations, people often struggle with knowing how much to ask for from each individual. This often feels awkward or intrusive. If you are not sure how much to ask for, consider these two options:

1. If the law has a limit, ask for the maximum the individual is allowed to give by law. Know this number before you get started.
2. **Rate** them. This means to use any information available to you about the potential donor to estimate how much the individual is able to give. Based on this analysis, estimate the best amount to ask for.

Once you have your list and your ask amount, start calling. Start with the easiest calls—your family and close friends—and move forward from there. Keep in mind when you select your ask amount that our tendency is to ask potential donors for too little. However, when we do this, we often end up going back to these donors again to ask for more later in the cycle. In addition, if we ask for too little, it might be seen as a sign of insecurity or lack of confidence. Also, do not assume that an individual will not be able to donate based on their background. Let individuals determine

themselves whether they are able to donate. As you call, where possible, take the donation over the phone by credit card.

Once you have completed the easiest calls, continue to work your way down the list. You might go back to people at the beginning if they have not given the maximum (in an electoral campaign) or you have not asked in a while (an advocacy campaign). Remember that as you move forward in fundraising, the people who are most likely to give you money are the people who have already given you money. They have already invested in you, your campaign, or your cause!

As you reach out to potential donors, also, think of those who are connected to these people—members of their professional networks, personal networks, etc. How could the people on your list connect you with their networks to increase your list of potential donors? Political fundraising experts often recommend asking donors not only if they will donate, but also if they would help raise additional funds from their networks.

Also, as you begin to engage in fundraising, think of ways to make this often-challenging process personally meaningful to you, beyond the monetary donations. We know of a state legislator who makes her fundraising calls from the beach, a long-time elected official who makes all of his calls walking around to get exercise, and many who set fundraising milestones and celebrate each of them when they are achieved.

APPLY YOUR SKILLS: Creating a List of Potential Donors

Imagine that you have just been asked to run for local office in your town. You have finished this class and are excited at the opportunity to create social change in your community. In order to run for office, the local mentor who has encouraged you to run suggests that you create a list of potential campaign donors. These donors can be anyone—from the community or far away, voters or nonvoters, family, friends, important people in the community, former teachers or professors, classmates, or coworkers. The maximum amount of money any individual person can donate to the campaign is \$200, and you need to raise at least \$2000–\$5000 to show that you are a viable candidate.

Go through your contact lists, and make a list of the people you would ask. Using the categories described above, review this initial list, and add more people to your list. Do not forget to think about the groups above and the networks to which they are connected. Then, go back through this list and write in a new column the amount you would ask each contact to give (up to the \$200 limit).

How Do You Ask?

Whatever you are going to ask someone directly to donate, the most important thing to do is to ask. As shown in Table 11.5, this can be done by e-mail, mail, by phone, or in person, though the latter two options tend to be more effective. Although you

may be nervous to ask by phone or in person, remember that even if you ask in an imperfect way, people will know that it is a difficult thing to do. They will forgive you any stumbles. This is a great opportunity to use your social work interpersonal engagement skills. When you are nervous and new to fundraising, it might feel like this is about you. Ultimately, the ask is really about them and why donating to your campaign or organization can meet their needs. From a self-care perspective, do what you can to refocus your attention away from making this about you. It is easier to ask for money when you focus on how it can help forward a mission.

Think about any times before when you have asked friends or family to donate to something important to you. Perhaps you asked them to contribute money to a charity fundraiser such as Relay for Life or a danceathon; purchase candles, chocolate bars, or wrapping paper to support a school activity; or purchase cookies to support your Girl Scout troop. Perhaps you asked them to supply in-kind materials like lumber, supplies, tools, food, or expertise to help support your Eagle Scout project. If you have done any of these things successfully, you have already used all of the skills you will need to ask for money for your political work:

1. You did not assume people knew you could use their help.
2. You thought specifically about what you needed, setting a goal for amount raised, or making a list of the in-kind donations you needed.
3. You created a list of people who might have the resources you needed.
4. You created a script or message to use when explaining to people what you were doing and what you wanted them to do to help.
5. You asked!

Think also about how you approached these efforts. What did you do when you asked people to support you?

1. You made small talk, asked how they were, reminded them of your connection, or otherwise engaged with them.
2. You asked, being specific about what you needed and why.
3. You then stayed silent, giving them the opportunity to answer your all-important question.
4. You used your active listening skills and gave them a chance to say how they could help.
5. If needed, you used your negotiation skills to get what you needed, and you remembered that sometimes “no” might just mean “not right now.”

Include the specific amount you will ask for and any personalization relevant to the individual you are soliciting into a **script**. This plan for what you will say will help you not let your nerves get the better of you, so you do not forget to actually make the ask! We provide an outline of what a script might look like when you reach out to an individual contact to ask for a donation.

APPLY YOUR SKILLS: Make a Fundraising “Ask”

Based on the scenario in the last activity, craft a script to ask for money. Choose one of the people you listed in that activity, and role-play with a friend or classmate. Each of you should get a chance to ask for money, and each of you should get a chance to be asked. How did it go?

SELF-ASSESSMENT: Asking for Money

Now that you have learned some of the practices for asking for donations from an individual, what are your thoughts and feelings about doing this? Have they changed at all? If you are still uncomfortable, what would you need to do to become more comfortable?

Say Thank You!

Make saying thank you to your donors part of your fundraising plan. When donors give money to your campaign, cause, or organization, be sure to send a thank you in the mail. Nonprofit organizations are required to provide receipts to their donors for tax purposes, but make sure that these receipts are accompanied by a specific thank-you note. For electoral campaigns, a hard copy thank-you letter, in the mail, is still the norm. This is important for showing respect to your donors. It also helps you maintain positive relationships with your donors, which can increase the likelihood of your donors wanting to continue this relationship.

Catch up/small talk/engagement

Write down actual things you want to say, so you do not have to struggle to come up with this on the fly while you’re nervous. Nothing fancy, just a few notes like:

Daughter just left for college; congratulate on award last month from Social Work Student Association; passed licensing exam, yay!; ask if they finished the book from book club.

These are all things that you would remember to talk about easily if you weren’t nervous, but you don’t want to forget.

Description

Describe the office you are running for/campaign you are working on/non-profit you are working for, and how it connects directly to them and their needs:

Remember how we always said if we were in charge of the school budget, we would make sure that teachers got paid enough that they wouldn’t have to take second jobs? Well, I’ve been asked to run for school board, and I think this is my chance to follow through on that! I know if I get elected, I could vote for education policies that will help our kids when they go through these schools someday.

A specific ask

The limit for contributions for this race is \$200, and I am hoping to raise as much as I can in a short time so I can spend all of my time knocking on doors and introducing myself to people in the district. Can I count on you to give \$200?

Quiet time to let them think and respond

You may literally want to write a note to yourself to be quiet, take a drink of water, and let them talk. Remember that as social workers, we live with awkward silences in a lot of settings—we can survive awkward silence here if necessary. Let the other person think and fill the space.

Listen to what they have to say**Your response**

Include a few different options in your script:

- If they say yes: *Great!* Can I take your credit card donation now (or pass you to my assistant now to make a credit card donation)? (It is important here to use your skills of being quiet, and not let your nerves take over before you actually take the donation.)
- If they don't say yes, but they don't say no, listen to the reason, and respond. If they say "wow that's a lot," keep practicing your quiet, and wait until they think through it.

Do they need more information? Provide it.

Do they need to check with a partner or wait for a paycheck? *When is a good time to call back?*

Are they willing to donate, but less than the maximum? *Great!* Take this opportunity to make a second ask at a lower amount. Do not automatically ask for half of the amount you started with. While that may be your instinct, remember you asked for the original amount for a reason. Instead, ask for a number that is 75% or higher of original amount. Repeat as needed, until they identify a donation amount, and then go to the yes script. Make a note to call back in a month or so and ask for money again.

- If they flat out say no, don't take it personally! People do not donate for a lot of reasons, very few of which are about you. The person might change their mind about donating in the future, and your relationship with them is important to maintain.

Thank you

Whatever their answer, thank them for their time!

Review of Key Terms and Concepts

Bundler: individual who solicits and collects contributions to the candidate from other individuals and delivers them to the candidate in a "bundle."

Call time: a time during which candidates call potential donors individually, one at a time, to ask for money.

Campaign finance: the ways in which money is raised and spent in order to fund electoral campaigns.

Campaign finance laws: the federal, state, and sometimes municipal laws, regulations, and legal decisions that define the parameters of campaign finance.

Charity: Gifts to those in need.

Citizens United v Federal Election Commission: a 2010 US Supreme Court ruling challenging campaign finance restrictions on certain “electioneering activities,” and requiring public identification of those who fund election communications.

Clean elections: full public funding offered in several states for candidates who are running for governor, lieutenant governor, and state legislature. To qualify for this funding, candidates must raise a certain amount of funding in small donations from individuals within their districts and agree not to spend more than a state-specified amount.

Click rates: the number of people who actually click on the link in solicitation e-mails to take action or donate money.

Coordinated campaign: joint efforts by different campaigns and party committees to get out the vote for their candidates.

Dark money: contributions that are not required by law to be disclosed, often given to 501(c)(4) organizations that are not obligated to report their donors.

Dialing for dollars: See “call time” above.

Disclaimer: A statement included on a communication from an electoral campaign, specifying who paid for and who authorized the communication.

Disclosure: Rules about which campaign donation or spending details must be shared publically, including who gave how much money and to whom.

Earned income: see “profit” below.

Electioneering communication: any ad mentioning a federal candidate within 30 days of a primary or 60 days of a general election, paid for with money regulated by the FEC. Disclosure is governed by federal law.

Endowment: a permanent fund that has been invested, bequeathed, or given to a nonprofit organization.

Estate tax: tax on assets above \$5.49 million (in 2016) that are bequeathed to one’s heirs from a person who has died.

Excise tax: taxes for a specific good such as fuel, alcohol, or tobacco.

Federal Election Campaign Act: also known as FECA, this act updated campaign finance laws and repealed contribution and overall spending limits while limiting the amount of money that could be spent on media. It legalized labor PACs, and specified oversight responsibility for presidential and congressional election compliance.

Federal Election Commission: otherwise known as the FEC, the commission which enforces campaign compliance and oversees public election funding.

Finance committee: the group who provides oversight of an electoral campaign’s fundraising.

Finance plan: also referred to as a revenue plan, this plan spells out exactly how much money a campaign seeks to raise on a quarterly, monthly, and often a weekly basis, including procedures to track revenues.

Foundations: donor organizations that are set up to provide funding to other nonprofits as one source of philanthropy.

Give/get: board solicitation, in which nonprofit board members give money to the nonprofit and/or solicit their networks.

Government contract: a transaction agreement developed between the nonprofit and a government.

Government grant: a source of revenue for nonprofits, grants are a form of financial assistance to a grantee (or receiver of the grant) that must generally be used for a public purpose.

Hard money: campaign contributions donated by individuals within the limits set by federal laws such as FECA given to either a party or candidate; these must be disclosed.

Hatch Act: this federal law prohibits federal government employees from engaging in election campaigns, even if they are not “on duty.”

In-kind: donations of a product or service rather than money.

Investment income: an optional revenue source for organizations that are able to set aside a significant amount of money for an endowment; these funds are returned to the organization to be used to further the organization’s goals.

Major donor donation: donations from individuals considered a relatively large sum of money (the amount that makes something a major donation will vary depending on the circumstances).

McCain-Feingold Act/Bipartisan Campaign Reform Act of 2002: otherwise known as the BCRA, this act prohibited national candidates and parties from raising and spending money on nonfederal elections (such as state or municipal elections) and limited the ability of state and local parties to use their money to pay for party activities.

Membership fees: distinct from “membership drives,” fees are essentially a price of admission to access goods or services.

Nonprofit organization: a business granted tax-exempt status by the IRS.

Open rate: the number of solicitation e-mails that actually get opened by recipients.

Philanthropy: private contributions to nonprofits; a subset of charity.

Pledge: A promise of a future donation.

Presidential Election Campaign Fund: an attempt to publically fund elections through utilizing public money to finance presidential primaries, general election campaigns, and national party conventions, authorized by the **Presidential Election Campaign Fund Act**.

Profit: money that can be raised by nonprofits that exceeds their spending in a given year. This money cannot be given to staff or members of the board and must be invested in the organization’s future.

Progressive tax: a tax in which higher income households pay a larger share of their income in tax than lower income households.

Public financing: involves providing government funding to candidates running for office.

Rate: the act of using available information about a potential donor to estimate how much the individual is able to give.

Receipts: campaign contributions, as described in federal law.

Regressive tax: a tax in which lower income households pay a higher percentage of their income toward the tax than higher income households.

Revenue: income available to an organization.

Script: a plan for what to say when soliciting potential donors.

Seed money: money designated to start a specific project, intended to help grow other money.

Self-funded: political campaigns which use the candidate's money rather than asking others for donations.

Small-dollar donation: a source of campaign funding given by individuals, sometimes as little as \$3 or \$5.

Soft money: contributions from corporations or from individuals who donate outside the legal maximum for candidates.

Soliciting donations: the act of specifically requesting contributions for a campaign or an organization.

Unrestricted funds: money that can be used for anything the organization or campaign chooses.

Unsolicited donation: contributions given of the giver's own volition, without a specific ask.

Viability: the public perception of a campaign's capability of succeeding.

Resources

Citizens United Resources

Assessing Accountability in a Post-Citizens United Era:

http://themonkeycage.org/wp-content/uploads/2012/03/brooks_murov.pdf

Citizens United and the Illusion of Coherence: <http://repository.law.umich.edu/cgi/viewcontent.cgi?article=1166&context=mlr>

Citizens United v. Federal Election Commission:

<http://www.scotusblog.com/case-files/cases/citizens-united-v-federal-election-commission/>

Coordinated Campaigns

Coordinated Communications and Independent Expenditures: <https://transition.fec.gov/pages/brochures/indexp.shtml>

Coordinated Party Expenditures in Federal Elections: An Overview:

<https://fas.org/sgp/crs/misc/RS22644.pdf>

FEC's Coordination Definition Is a Big Hot Mess:

<https://www.aclu.org/blog/fecs-coordination-definition-big-hot-mess>

Municipal Revenue

National League of Cities, Local Revenue Structures: <http://www.nlc.org/local-revenue-structures>
 The Sunlight Foundation: https://sunlightfoundation.com/policy/municipal_campaign_finance/ or
 go to <https://sunlightfoundation.com> and in the menu under “Policy” click “Local”, then scroll
 down to “Campaign Finance” and click “Learn more...”.

Campaign Fundraising

Customer Relationship Management (CRM) tools are used to collect donations. For an electoral campaign, use tools made for politics because they collect correct compliance information.

One example is Nation Builder (a nonpartisan tool): <http://nationbuilder.com>

Digital fundraising, Randy Bryce video: <https://www.youtube.com/watch?v=794-lwvdkhQ>

Local Revenue Structures: <http://www.nlc.org/local-revenue-structures>

Follow the Money: <https://www.followthemoney.org/>.

CrowdPAC: an online conditional fundraising tool which allows you to start raising money before you file, to assess what you might be able to raise: <https://www.crowdpac.com>

Federal Campaign Finance Resources

FEC publicly available data: <https://www.fec.gov/data/>.

State Campaign Finance Resources

Campaign Finance:

<http://www.ncsl.org/research/elections-and-campaigns/campaign-finance.aspx>

Campaign Finance Webpages:

<http://www.ncsl.org/research/elections-and-campaigns/ncsl-s-campaign-finance-webpages.aspx>

Other Resources

Examples of “Stand by your Ad” candidate commercials from 2008: <https://www.youtube.com/watch?v=yCBmBExZE90>

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