The history and development of fundraising practice

'I would leave this work immediately if I thought I were merely raising money. It is raising men that appeals to me.'

Charles Sumner Ward (1905)

OBJECTIVES

By the end of this chapter you should be able to:

- Describe how the practice of fundraising evolved in the USA and UK.
- Trace the history of modern fundraising techniques.
- Describe the key changes that took place in fundraising practice in the twentieth century.
- Describe the influence of Charles Sumner Ward on modern fundraising practice.

INTRODUCTION

In this text it is our intention to provide a comprehensive guide to modern fundraising practice, examining commonly used techniques such as the solicitation of major gifts and other less personal forms of communication such as direct mail and direct response television. We will also explore the use of new media like the Internet, digital broadcasting and short message service (SMS) text messaging.

It is our intention to draw on the best of professional experience and academic research on both sides of the Atlantic. The rationale for this is simple. The USA and the UK share a common history and the roots of fundraising are very similar from one country to another – a point that will be developed throughout this first chapter. Importantly, however, the twentieth century saw a series of contrasting developments in both countries, where the focus was strongly differentiated and where as a consequence each country can have much to learn from the other. In the USA the practice of major gift fundraising has been greatly refined and in the latter half of the twentieth century a succession of changes to tax legislation led to the creation of a number of distinctive products for this market and a creative approach to the stewardship of individual donors as a consequence. In the UK, the approach to fundraising has tended to focus on the solicitation of high numbers of lower value gifts, typically through the use of direct marketing techniques.

It thus makes sense to pool this wealth of knowledge and experience and to add it to a rapidly emerging body of academic research focusing on donor behaviour, public perceptions of the voluntary sector and the use and abuse of specific fundraising tools. It is thus not our intention to provide yet another 'how-to' guide based solely on our professional experience. Rather, we blend theory with practice to provide a solid framework against which the organization and fundraising performance of specific nonprofits might be assessed.

The result we hope is a text that will for the first time provide fundraisers and students of fundraising alike access to an accumulated body of knowledge about how best to manage and operationalize all the key forms of modern fundraising. It is important to begin, however, by recognizing that the roots of such fundraising lay not in the recent past, but rather in an accumulation of practice over many centuries. Indeed, as will become clear in this first chapter, many ideas that seem modern at first glance have actually been around for a very long time indeed.

EARLY PHILANTHROPY AND CHARITY

The word philanthropy comes originally from the Greek and means 'love of mankind'. Robert L. Payton (1984: 2) defined it as:

> voluntary giving, voluntary service and voluntary association, primarily for the benefit of others; it is also the 'prudent sister' of charity, since the two have been intertwined throughout most of the past 3500 years of western civilization.

Philanthropy is thus quite dispassionate and impersonal and concentrates on the resolution of the root causes of human issues. It is concerned with improving the quality of life for all members of a society, by 'promoting their welfare, happiness and culture' (Gurin and Van Til 1990: 4).

Charity, by contrast, is focused on the poor and is a term drawn from the religious tradition of altruism, compassion and empathy (Ylvisaker 1987). Over the years it has come to be defined somewhat differently from one country to another. In many countries, such as the UK, a charity is a distinctive legal form of organization that has a series of tax advantages enshrined in law. In the USA the term has a wider application and has come to mean simply serving the poor and needy (Gurin and Van Til 1990).

The concept of charity has been around since antiquity and nonprofit organizations of one form or another appear to have been with us since civilization began. References to voluntary giving can be traced back to the beginning of recorded history. The Pharaohs, for example, established some of the earliest charitable trusts, albeit in their case for the somewhat selfish purpose of ensuring the security and perpetuity of their final resting places. Of course, such early arrangements could hardly be described as philanthropic in nature, since the giving in question served only to ensure the deceased's footprint in history and hopefully a glorious afterlife. It was certainly not the intention of these early trusts to enrich the quality of life for others.

Early references to giving of a rather more 'charitable' nature can be found in the Old Testament. Religious sacrifices were commonly offered and the Old Testament of the Bible notes that the patriarch Jacob promised to give a tenth of all that God gave him. Indeed, we read that what is now known as the tithe was well established and organized. The Hebrews believed in sharing what they had with the poor who, for example, were traditionally the recipients of the harvest every seventh year.

Other forms of donation from this time include the vast treasures dedicated to the Delphic Oracle (first recorded as early as the fifth century BC) and the earliest recorded school endowments of Plato in Athens and Pliny at Como. Giving in its various forms has thus been around for many centuries.

FUNDRAISING AND THE RELIGIOUS TRADITION

The earliest recorded instances of formal fundraising activity are frequently linked to the activities of religious faiths. Mullin (1995), in particular, charts the significance of organized fundraising activity to early Jewish charity. In this tradition individual volunteers were clearly assigned within each community to take responsibility for specific fundraising tasks. This reflects the positive moral view of the volunteer fundraiser in the Jewish faith: To quote Rabbi Akiba: 'It is a greater virtue to cause another to give than to give yourself.'

In the Christian tradition the now common practice of the weekly church collection dates from the Dark Ages and in medieval times the Church commonly sent out professional fundraisers (*Quaestores*) to solicit gifts from the wealthy in order that the Church could both support itself and minister to the poor. Indeed, grand fundraising campaigns were often designed and initiated to support the creation of the great cathedrals across Northern Europe, from the Middle Ages onwards. Frequently, professional fundraisers were employed to ensure success. Detailed analytical planning and market segmentation accompanied much of the fundraising that supported these appeals and, as Mullin (1995) demonstrates, a rich variety of forms of fundraising were undertaken. As an example, Table 1.1 depicts the gift allocation associated with the fundraising for Troyes Cathedral; monies that were generated by a volunteer committee supported by professional fundraisers.

Fundraising was not only directed at the rich and powerful in society. Bishop (1898) identifies gifts from fundraising in schools, house-to-house and street collections, community fundraising events and even jumble sales, as significant in the generation of income for Milan's cathedral (see Plate 1.1) in 1386.

Over the centuries the Church developed many effective forms of fundraising practice, including the use of the now infamous 'indulgences'. Until Martin Luther publicly rebelled against the practice in 1517, the Church had for 500 years allowed individuals to pay for their sins by making a worldly donation to the Church. The system was simple. After confessing their sins to a priest, an individual would be set an appropriate penance. Ideally this would be dealt with in life, thereby expunging the sin. However, if the individual died before the penance had been paid, it would still need to be dealt with before entry to heaven would be permitted. Needless to say this could delay entry to heaven by a period of some years and was described as a most

Table 1.1 *Troyes Cathedral fundraising (£s)*

	1389–90	1390–91	1412–13	1422–23
Appeals	176 (17%)	186 (13%)	160 (15%)	34 (6%)
Legacies	44 (4%)	5 (4%)	54 (5%)	22 (4%)
Citizens	29 (3%)	386 (28%)	40 (4%)	70 (7%)
Big gifts	440 (43%)	250 (18%)	100 (9%)	100 (17%)
Other	331 (32%)	572 (41%)	695 (66%)	380 (66%)
Total	1,020	1,399	1,049	606

Source: Mullin (1995:6, adapted from Murray 1987).

Plate 1.1 *Milan Cathedral*
Source: © Bridgeman Art Library.

agonizing and protracted process. The solution to this problem was simple. Having been furnished with an appropriate penance, individuals could buy an 'indulgence' to clear this 'debt'. This would reduce the years of punishment that could otherwise ensue and guarantee a speedy entrance to heaven. Indulgences could be purchased for a variety of good works including churches, hospitals and bridges, and were available from professional fundraisers as well as priests. As Mullin (2002: 15) notes, these indulgences 'exploited very private self interest, or harnessed the vulnerabilities of the poor to such self-interest'. The Church has long since abandoned the practice.

THE DEVELOPMENT OF FUNDRAISING IN ENGLAND

Early fundraising in England was conducted against a backdrop of a suspicious state. Social, moral and religious upheavals regularly tore through British society and charities were inevitably bound up therein. One of the oldest charities in England is Week's charity, an organization originally set up in the fifteenth century to provide faggots (bundles of sticks) for burning heretics, an activity supported by the government of the day. The state has therefore long had a vested interest in controlling what should, or should not, be considered charitable in nature. In Tudor times, those seeking to raise funds were well advised to stay within the law or risk fines, flogging or worse. Even the donors themselves had to be mindful of this legislation, at one stage risking the punishment of having their ears forcibly pierced for giving to the unworthy.

Barbaric though this might sound, Tudor England was much concerned with public order and vagrancy, two concepts which governments of this time saw as inextricably linked. It was thus felt that giving should be strictly controlled to encourage the channelling of alms only to those who were referred to as the impotent poor (i.e. those who, by their age, health or other circumstances, were prevented from earning their own living). The able-bodied poor were to be encouraged to

take responsibility for the amelioration of their own condition. In short, they should be compelled to find work or starve. Such a preoccupation would, it was felt, preclude the possibility of their finding time to pose a threat to the state. As a consequence all legitimate beggars were licensed and private persons were forbidden to give to anyone not in possession of such a document.

Aside from giving of this very individual and personal nature, there were many great 'general' causes that donors could support at this time. Indeed, many of these are very similar to those we are encouraged to support today. In probably the earliest reference to 'appropriate' charitable causes, William Langland's fourteenth-century work, the 'Vision of Piers Plowman', exalts rich and troubled merchants to gain full remission of their sins and thus a happy death by the fruitful use of their fortunes:

> And therewith repair hospitals,
> help sick people,
> mend bad roads,
> build up bridges that had been broken down,
> help maidens to marry or to make them nuns,
> find food for prisoners and poor people,
> put scholars to school or to some other craft,
> help religious orders and
> ameliorate rents or taxes.

It was not until 1601, however, that English law officially recognized those causes that might be considered as charitable for the first time. The preamble to the Elizabethan Charitable Uses Act of that year appears to have much in common with the fourteenth-century work alluded to above, delineating as it did the legitimate objects of charity:

> Some for the Relief of aged, impotent and poore people, some for Maintenance of sicke and maymed Souldiers and Marriners, Schooles of Learninge, Free Schooles and Schollers in Universities, some for Repair or Bridges, Ports, Havens, Causewaies, Churches, Seabanks and Highwaies, some for Educacion and prefermente of Orphans, some for or towards Reliefe Stocke or Maintenance of Howses of Correccion, some for Mariages of poore Maides, some for Supportacion, Ayde and Help of younge tradesmen, Handicraftesmen and persons decayed, and others for releife or redemption of Prisoners or Captives, and for the aide or ease of any poore inhabitants concerninge paymente of Fifteens, setting out of Souldiers and other Taxes.

The Act was significant, not only because it outlined these objects, but also because it acknowledged that trustees and officials of charitable institutions sometimes misused the assets under their care and hence created a means by which they would be made accountable to the public. The law empowered the Lord Chancellor to appoint Charity Commissioners whose responsibility it was to investigate abuses of these charitable uses and to thereby protect the interests of those who had chosen to endow charitable organizations. It perhaps bears testimony to the quality of work undertaken by these early charity legislators that this Elizabethan Act was only repealed in the latter half of the twentieth century. Even today its influence is felt, as the preamble to the Act is still influential in determining those causes that might properly be regarded as being charitable in nature.

Of course, wealth in Elizabethan times was concentrated in the hands of a very small number of individuals, with the vast majority of English society being desperately poor. The wealthy, as

now, elected to give by a variety of means. Gifts were made through the Church, directly to other individuals, or perhaps posthumously through the mechanism of a Will. Indeed, the significance of this latter source of charitable donation should not be underestimated. Early records suggest that in the period 1480–1660 a variety of causes were supported by this means (see Table 1.2), with the rather low figure donated to religious causes reflecting the increasingly secular nature of the age. Average bequests varied substantially from region to region with the mean bequest to charity from Londoners an almost unbelievably high £255. 12s. 2d. In other parts of the country the figure was somewhat lower, in Yorkshire, for example, a mere £28. 4s. 6d.

It is interesting to note that this pattern of giving remained relatively static right up until the late nineteenth century which saw a mushrooming in the number of registered charities created. Between 1837 and 1880 there were 9,154 new charities known to the Charity Commissioners and between 1880 and 1900 the number rose sharply to 22,607 (Williams 1989). This proliferation of charities brought with it many problems, notably the increasing number of requests made of the wealthier elements of society for support. It was perhaps time to broaden the appeal of charities.

THE DEVELOPMENT OF FUNDRAISING IN THE USA

The spirit of private philanthropy in the USA evolved from the attitude of the first settlers who came to America from England and Holland. These individuals continued the pattern of support common in Europe at that time and offered substantial sums of their own monies to build churches, schools and colleges. It is important to note, however, that the spirit and practice of American philanthropy is quite distinctive. While in Europe the state often elected to fund such initiatives through taxation, in the USA public needs often existed before government had been established to cater for them (Boorstin 1963). As a consequence voluntary organizations were formed to provide for basic human needs.

The revolution of 1777 led to the creation of many nonprofits as the public was 'swept up in waves of civic enthusiasm and religious fervor' (Hammack 1998: 116), with many churches, clinics, schools, orphanages, libraries, colleges and hospitals being built as a consequence. Indeed, the founding fathers had been careful in drafting the constitution to make it difficult for their governments to levy taxes, take vigorous action or grant wealth and power to a privileged few. In the absence of strong taxation, religion, education, health care and social services had to be funded by alternative means. State legislators responded by making it easier to create nonprofit organizations and began shaping them to the needs of society in a variety of ways, notably excluding them from property tax which at the time was the most significant source of government revenue. States also granted nonprofits land and began regulating their ability to create endowments.

Table 1.2 *Bequests to charity (1480–1660)*

Nature of the cause	% of bequests
Relief of the poor	36
Education (enlarging opportunity)	27
Religious causes	21
Social experiments	10
Fabric of communities	5

Source: Jordan (1964).

This tradition of private philanthropy has continued and become what Marts (1966) regards as one of the most durable factors of American life. When Alexis de Tocqueville wrote in 1835 of his travels in America he was impressed by the willingness of the people to give freely of their own funds for social improvements (Probst 1962). He observed that when a community of citizens recognized a need for a church, school or hospital, they came together to form a committee, appoint leaders and donate funds to support it.

Today the Internal Revenue Code permits 20 categories of organization to be exempt from federal income tax and the majority of those that are able to receive tax deductible contributions also fall into one specific category of the code: Section 501(c)(3). To qualify for this additional benefit organizations must operate to fulfil one of the following broad purposes: charitable, religious, scientific, literary or educational. A number of narrower purposes are also included: testing for public safety and prevention of cruelty to children or animals. The code also requires that no substantial part of an organization's activity should be focused on attempts to influence government, either directly or through participation in political campaigns.

Amongst the earliest major fundraising campaigns to take place in the USA were those designed to establish the famous colleges of Harvard in Massachusetts and William and Mary in Virginia. Americans gave generously to create these opportunities for their children, but additional support was often sought from overseas. Since the colleges of that era existed to educate both laymen and the clergy, ministers were frequently employed to fundraise on behalf of these great endeavours. The first example of this is credited as taking place in the early 1600s when three ministers were despatched from America to England to raise money for Harvard College. One such minister came back with £150 – a pretty good sum at the time. A second stayed in England as a minister, while the third met his death on the gallows, a fact which perhaps illustrates that fundraising has always been a somewhat perilous profession!

Other early fundraisers included Benjamin Franklin who undertook a number of campaigns and was known for the careful manner in which he planned them. When asked for his advice he was said to have remarked

> In the first place, I advise you to apply to all those whom you will know will give something; next, to those whom you are uncertain whether they will give anything or not, and show them the list of those who have given; and lastly, do not neglect those whom you are sure will give nothing, for in some of them you may be mistaken.
>
> (Quoted in Gurin and Van Til 1990: 14)

Indeed, much of the fundraising of the day and throughout the nineteenth century was conducted through the medium of personal solicitation, in some cases by paid solicitors. Church collections and the writing of begging letters were also common. It was not until 1829 that the first instance of committed or regular giving is reported. In that year a fundraiser by the name of Matthew Carey sought annual subscriptions of $2 or $3 to support a number of local institutions. Unfortunately only small sums were raised in total and the drive was eventually abandoned.

THE ROOTS OF RAISING MONEY BY MAIL

While direct forms of fundraising from individuals were common in both the UK and the USA, prior to and right through the twentieth century, individual solicitations were not the only technique employed by fundraisers. The use of the mail for the purposes of fundraising also has a surprisingly long history. Indeed, there is evidence that professional coaching in the development of fundraising letters has existed since the Middle Ages. A fourteenth-century 'fundraising'

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handbook developed by monks at a Cistercian monastery in Austria, for example, advocated that an applicant's letter must consist of:

- a honeyed Salutation
- a tactful Exordium (an introduction to the purpose of the application)
- a Narration (to set the scene with a description of the present situation or problem)
- a Petition (the detailed presentation of the application)
- a Conclusion (a graceful peroration).

The monks even went so far as to supply 22 model letters to illustrate the application of this approach, each of which was framed to offer a different justification for the merit of philanthropy. These included 'generosity to avoid ridicule'; 'the wealthy's obligation to give'; 'do as you would be done by'; and 'to be kind is better than being an animal'.

The practice of developing 'model' letters appears to have been consistently adopted throughout the centuries that followed. In 1874 a set of 34 directories of such letters were found to be in use in London by a gang of begging letter impostors. The criminal fraternity of the time apparently found it remarkably easy to divest the wealthy of a significant share of their income by using these carefully crafted letters. So widespread was the problem that the London weekly newspaper *Truth* felt compelled to publish a regular gallery so as to issue warnings about such rogues.

THE ROOTS OF MODERN FUNDRAISING AND GIVING

Although individuals have been engaged in fundraising for centuries, fundraising as a serious profession did not really emerge until the mid-eighteenth century. It was common practice at this time to raise funds by assembling a list of suitable wealthy persons and inviting them to a special function or, more usually, dinner. Aside from potential benefactors early fundraising manuals typically suggested that the guests for dinner should include a smattering of 'pretty young ladies' which was seen as essential if high-value gifts were to be solicited. It appears that male donors have always been keen to impress with the size of their charitable wallets.

Fundraising in this form, primarily as a series of dinners and special events, continued throughout the nineteenth century. Given that wealth remained concentrated in the hands of comparatively few individuals there was little motivation for charities to broaden the nature of the charitable appeal.

By the early twentieth century, however, the structure of society and the pattern of wealth distribution was beginning to change. There are many important influences on philanthropy and the fundraising profession that date from the turn of the century, including:

- the activity of a number of very wealthy philanthropists
- one particularly innovative individual – Charles Sumner Ward
- the intervention of the Great War.

We will now consider each in turn.

The great philanthropists

The influence of a number of great philanthropists was felt on both sides of the Atlantic around the turn of the century. Multimillionaires such as Andrew Carnegie and J.D. Rockefeller in the USA and Joseph Rowntree in the UK in the period from 1885–1915 sought innovative ways of

disposing of their surplus wealth. This was no easy task, since a way had to be found of diverting resources to those who were most in need and not squandered on those who would not draw benefit from the gift. To quote Carnegie, 'the worst thing a millionaire could do would be to give all his money to the unreclaimably poor'. A mechanism was thus sought to distribute private wealth with 'greater intelligence and vision than the individual donors themselves could have hoped to possess' (Gurin and Van Til 1990: 15). It is thus in this period that a number of extraordinarily wealthy charitable trusts or foundations were established for the purpose of distributing the wealth of these great philanthropists. Fundraisers were therefore able to look to this new class of organization for support and the genre of the trust/foundation fundraiser was born.

The three charitable trusts set up by Joseph Rowntree in the UK in 1904 were charged with supporting religious, political and social causes. Like their sister organizations endowed by the likes of Carnegie in the USA, these organizations differed from those established in earlier centuries because:

■ Their objectives were primarily to achieve some public purpose defined in the deed that established the organization. Such objectives were usually drafted so as to be broad and multiple in nature. The goal of a reorganized Rockefeller Foundation in 1929, for example, became simply 'the advancement of knowledge throughout the world'.
■ They departed from giving to individuals as a means to alleviate suffering, to address the more fundamental and controlling processes (Karl and Katz 1981). Joseph Rowntree wrote into his original trust deeds that much current philanthropic effort was 'directed to remedying the more superficial manifestations of weakness or evil, while little thought is directed to search out their underlying causes' (Rowntree 1904). He criticized the alleviation of Indian famines without examining their causes and directed that none of his three trusts should support hospitals, almshouses or similar institutions.
■ They were legally incorporated bodies whose charitable and public purposes were duly recognized.

Much of the established wealth today has been created over the past 100 to 150 years. Indeed, great wealth has been accumulated by families and individuals over the past few decades alone. In the twentieth century a proliferation of famous philanthropists emerged, such as Clore, Getty, Gates, Hamlyn, Laing, Sainsbury, Weston and Wolfson, all of whom have different interests and motivations for giving.

Some undoubtedly chose to support charity out of their own vanity, perhaps to secure their place in history or to excite a degree of timely public recognition for their works, giving out of a desire for self-aggrandizement, or in the search for some personal advantage or honour. Undoubtedly the majority, however, gave because they felt that it was the moral, religious and socially responsible thing to do with their wealth. As Carnegie famously remarked to Gladstone, 'he who dies rich dies disgraced'.

The rich give by many means. They can of course elect to give cash, but most would typically choose to avail themselves of a tax-efficient form of giving, enjoying the fact that the government must then direct substantial funds to their chosen interest, rather than those of the government of the day. Those with considerable personal wealth may also elect to follow Carnegie and Rowntree's example and establish their own charitable trust for this purpose. Not only does this simplify the administration of tax matters (which need then only be dealt with once a year), it also means that the arduous decision of how much to give to charity need only be taken once a year too. The decision of what to support can then be satisfactorily left to administrators (Hurd and Lattimer 1994).

Other wealthy donors elect to give not only cash, but also the rights to one or more of their services. In the modern era Elton John is particularly well known for his generosity in donating all the proceeds of many of his public performances to charity and the novelist Catherine Cookson signed away the royalties from the novel *Bill Bailey's Lot* to charities.

Charles Sumner Ward

Charles Sumner Ward is credited with revolutionizing the practice of fundraising in both the UK and the USA. Indeed he is regarded by many as the father of modern fundraising. At the turn of the century, he was the General Secretary of the YMCA in Grand Rapids, Michigan, USA, and spent most of his time raising funds to keep the doors of that organization open. He engaged in the traditional forms of major gift fundraising described above and in an endless round of dinners and public engagements. He was to radically change this approach with the creation of what he later referred to as the first ever 'intensive' campaign in history.

In 1905 he was charged with the task of raising $90,000 for a new YMCA building in Washington DC. Rather than dilute the campaign over a period of many months he reasoned that if plans were made well in advance it should prove possible to limit the fundraising to a single week. In reality Ward met his target well before the week was up and went on to administer many other successful campaigns, notably to help the war effort in 1916.

Ward's 'intensive' or 'whirlwind' campaigns were based on four general principles:

1 *Concentration of time*   Ward believed that businessmen were willing to work for a worthy cause if only they could find the time. By telescoping an appeal for funds into the space of one or two weeks (depending on the size of a city) he was able to secure the active help of those business leaders who were needed to spearhead the drive. Shortening the campaign had the further advantage of keeping it, for its duration, front-page news in the community. Even when, in later years, Ward directed national campaigns for hundreds of millions and the appeal had to last longer, he always set the shortest feasible time. As he was fond of noting 'one can raise more money in six days than in six years'.

2 *Organization*   Before the appeal for funds began the groundwork of a campaign had to be laid with military precision. A large force of the most influential people in a city had to be built up and each individual was carefully informed of exactly what they would be responsible for. Above all, Ward saw the generation of a number of pace-setting gifts as essential. The day the pioneering campaign began, the newspapers carried two front-page pictures, one of J.D. Rockefeller who contributed $100,000 and one of a local newsboy who had contributed a humble single dollar. The inference was obvious, this was a big-money campaign, but it was also a campaign that concerned the humblest individual in society.

3 *Sacrifice*   In soliciting workers one got nowhere by minimizing the time and effort required. To do that was to cut the ground from under a campaign. Far better to say that the job was a big job and then convince people that the cause was worth it.

4 *Education*   The public must be made to see why it had a stake in the success of the appeal. First of all, the cause must be sound; then it must be brought to the public through all available media of publicity.

In respect of this latter element Ward ensured that in the months before a campaign, news articles slowly built up the need. Civic pride was skilfully manipulated: 'What other cities have done Baltimore can do'. A notable facet of each campaign was the clock that he set up in conspicuous locations. He would set the hour hand at the Roman numeral XII under which would be written

the amount of the goal. As the campaign moved forward the minute hand advanced ever closer to the hour to show how much nearer the goal had become. The clocks generated a substantial amount of public interest and excitement, which Ward complemented with a series of news stories. He was the first to employ publicity directors whose role was to keep all the newspapers supplied with material to keep the campaign on the front page.

Ward was also the first to recognize the significance of arranging a pace-setting gift in advance of a campaign. Such a gift would usually be from a tenth to a third of the total and would be conditional on the full amount being raised in the allotted time.

Such was his success that in 1912 Ward was asked to come to England to raise £300,000 for the central YMCA. Needless to say there was some considerable scepticism amongst conservative London that Ward's methods would curry favour with a British public not used to such brazen 'hard sell' techniques.

The Times editorial, however, was surprisingly supportive:

> It is scarcely necessary to say that this American scheme is no happy-go-lucky attempt, relying for its results on its novelty. Its fame as a new thing, undoubtedly helps it, but the success is really due to a knowledge of human nature and an extremely shrewd application of business principles in securing the advantage at the psychological moment.

Conservative London yielded and sponsors of the campaign were ultimately to include the Prime Minister, the Lord Mayor and Lord Northcliffe, publisher of *The Times*.

The profession of individual fundraising was changed forever.

The Great War

The advent of the First World War served not only to accelerate the growth in charities registered to address the needs of victims but also served to accelerate greater prosperity throughout society, further broadening the potential giving constituency to include all but the poorest elements of society. It was also at this time that 'modern' corporate philanthropy was born and for the first time wealthy corporations began to support need in society.

In the UK charitable appeals linked to the war proliferated, with over 15,000 war charities registered between 1916 and 1918, and significant innovation in fundraising practice occurred as a consequence. Fowler (1999) notes that by the end of the Great War, most of the techniques we are familiar with today had been invented and had reached peaks of varying efficiency.

> During the War itself there were at least three such innovations: flag days, spreading collections to communities overseas, and lotteries. In each case the idea was pioneered by one or more charities, then a host of other bodies copied it.
>
> (Fowler 1999: 1)

At the outset of the war contributions to charity from the populace at large surged. As an example in the UK, the National Relief Fund, established in August 1914, achieved over £2 million within two weeks of its foundation. Seizing an entrepreneurial opportunity, fundraisers quickly developed 'Flower Days' (the then established medium by which cash collections were undertaken) into the more nationalistic Flag Day theme often characterized by the use of ribbons and other symbols of support. It is interesting to note how immediately recognizable this innovation is against the current vogue for charity ribbons and lapel badges. Their success was considerable and the organization behind them not inconsequential.

Donor motivation took on a prescient form. Early appeals for Belgian refugees offered the first real opportunity for ordinary members of the public to contribute to the war effort: 'most people in the movement were motivated at first not by an overwhelming compassion for the refugees – though of course, pity played its part – but by a simple desire to *do*, to be involved in the war effort' (Cahalan 1982: 56).

WIDENING THE GIVING CONSTITUENCY

The proliferation of the number of charities around the turn of the twentieth century coincided with generally increasing levels of prosperity, a fact which provided the charities of the time with a unique opportunity to begin to expand what had traditionally been very low levels of participation in giving.

Advances in print technology played an important part in promoting the emergence of off-the-page advertising campaigns in newspapers supporting a wide range of appeals from the suffragette movement to the maintenance of private hospitals. Nonprofit communications became more generalist in nature and appeal advertisements became commonplace in the popular press. Advertising was generally becoming more sophisticated at this time as the nineteenth-century advertising agencies that had traditionally done little more than sell space on behalf of their patrons reacted to a sharp increase in competition. Agencies found themselves providing an ever wider range of services to their clients in order to secure business and hence their commission from the media owners. Nonprofits were initially slow to avail themselves of this service (although Dr Barnardo had already established concerted direct-marketing appeals in the UK before the turn of the nineteenth century), but by the advent of the First World War, with the help of their agencies, nonprofits were creating some of the most innovative and exciting advertising of the day. This learning was later developed and integrated with direct marketing by Quaker-inspired commercial philanthropists such as Cecil Jackson-Cole and Harold Sumption (Sumption 1995).

The YMCA advert in Plate 1.2 dates from 1916, yet contains so much of what we would still consider today as 'best practice'. The proposition is a simple one: that everyone can give to help the cause. The ad is written in an informal style and engages the reader with a variety of different typefaces. It also presents bundles of need, illustrating what a donation at each level will achieve, together with a cut-out coupon which the donor can send in noting the amount of their gift. The coupon even carries a 'code' at the bottom so that fundraisers could ultimately assess the efficacy of advertising in many different magazines/newspapers.

The Barnardo's ad in Plate 1.3 was placed in the *Illustrated London News* in the same time period and prompts prospective donors to select the Easter egg they can most afford to send. The range of prompted donations is quite wide; again suggesting that any sum will make a real difference to the children Dr Barnardo's was there to help. In the period 1910–50 advertisements for three categories of charitable cause were particularly commonplace and it seemed as though these were the causes most indelibly printed on the British psyche. As Beveridge noted: 'Britons favour sailors, animals and children – and in that order.'

Advertisements for good causes were also very common in the USA. Indeed, it is interesting to note that the language and style of the early 1900s have many modern parallels. Plate 1.4 depicts a famous ad for the Red Cross which dates from the time of the First World War. The period also saw many other advances in individual fundraising with sales of donated goods, collection boxes and, following a post-regulation slump, charity flag days all proliferating.

In the early 1950s and throughout the 1960s a further revolution in giving behaviour was prompted by concern for famine and poverty abroad made graphically compelling through

Plate 1.2 *Early YMCA advertisement*

national newspaper advertisements and the development of structured direct marketing activity. Particularly noteworthy were a series of charity telethons conducted with great success on television channels on both sides of the Atlantic (Seymour 1966; Sumption 1995).

Common throughout these advances was the importance placed on the identification of need and the donors' effective response to it, stewarded in positive fashion by the professional fundraiser. Yet, as direct marketing technology grew cheaper and more accessible to the nonprofit sector and as the early fundraising consultant pioneers were joined by others – notably, converts from commercial advertising agency practices (Harold Sumption, Redmond Mullin and George Smith to name but three) – volume of activity increased, and with it public and media scepticism of the methods employed.

It was not until the 1980s, however, that perhaps the greatest changes began to take place in the manner that funds were raised from individuals. Advances in computer technology made it possible for nonprofits to invest in a database for the very first time. The first to come on to the market were quite simple affairs that did little more than allow the organization to record the names, addresses and gifts made by their donors. More recent developments have allowed nonprofits to segment their donor base and target a wide variety of communications at an even wider variety of donor segments.
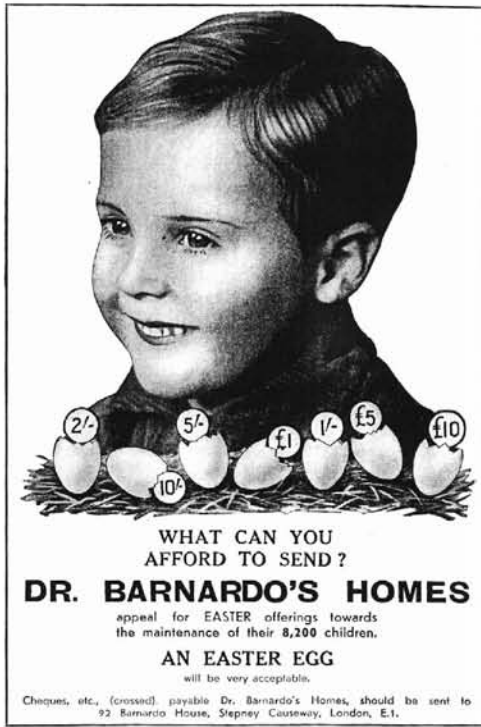
Plate 1.3 *Early Barnardo's advertisement*

Plate 1.4 *Early US advertisement*

Fundraisers, initially slow to adopt modern marketing concepts, strategies and personality in their own view of their role, embraced the methods of the commercial marketplace wholeheartedly from the early 1970s onwards. Professional institutes were established promoting the distinctive and positive role of the professional fundraiser in both the UK and the USA (Institute of Charity Fundraising Managers, UK, 1983; National Society of Fundraising Executives, USA, 1972). Academic research, textbooks and teaching of nonprofit fundraising and marketing were 're-invented' in relation to the new found skills and disciplines associated with the development of marketing theory (Drucker 1990; Kotler and Andreasen 1991; Clarke and Norton 1992).

In the age of the relational database nonprofits can now establish almost one-to-one dialogues with their donors, ensuring that every communication they receive meets the expectation that a donor might have of the organization. For their part professional fundraisers are now 'relationship fundraisers', stewarding and supporting the lifetime value of prospective donors from first gift to, in the case of legacy fundraising, beyond the grave (Burnett 1992; Wilberforce 2001). In essence, contemporary nonprofits can develop a *silicon simulacrum* of the relationships that individuals might once have had with their butcher or baker. They can be addressed as individuals at a time that suits them with the products/services and 'asks' that experience tells the nonprofit they will find most appropriate.

CONCLUSION

The history of fundraising is much longer than many people believe. While corporate and trust fundraising are comparatively recent phenomena, nonprofits and fundraisers have been around since the start of recorded history. For centuries, the task of fundraising from individuals was largely conducted by the Church, the ministers of which employed many of the same methods of solicitation still commonly in use today. Even techniques like the use of fundraising letters have been known and employed to good effect since the Middle Ages, with copies of 'model' requests dating back over 500 years. While there may therefore be little new in individual fundraising, the twentieth century saw a number of innovations in the way in which these techniques were deployed. Charles Sumner Ward's carefully integrated 'intensive' campaigns are certainly worthy of note, as are the advances in computer technology that in a way have brought fundraisers full-circle. Until Ward's time, all fundraising would undoubtedly have consisted of a series of one-to-one requests. The opening up of mass advertising media in the early part of the twentieth century allowed charities to move away from this to a 'one-to-many' approach. While in its simplest form much individual fundraising still falls into this latter category, the evolution of technology is making it increasingly possible to return to a 'one-to-one' message. Exactly how this might be accomplished and the benefits of doing so will form the focus of much of the rest of this text.

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