



Jessica Birken, MNM, Esq.
Birken Law Office PLLC
1400 Van Buren St. NE
Suite 200
Minneapolis, MN 55413
www.BirkenLaw.com
Office: 612.200.3679

The Road to Fundraising Hell - Transcript

[Speaker 1]

Welcome to Charity Therapy, a podcast from Birken Law about building better nonprofits. I'm your host, Jess Birken. Hey, hey, hey, and welcome to this episode of Charity Therapy.

Guess who's back? My good buddy from Twitter, T. Clay Buck! There should be like a sound effect, like it goes, wah-ah, T. Clay Buck! Yeah, you do.

[Speaker 2]

I really do.

[Speaker 1]

Well, you may remember Clay, he and I are Twitter friends, and Clay is an amazing fundraising consultant who's TCB Fundraising. I've got him back for another round of fundraising Q&A, and this time we've got a doozy. Thanks for being here, Clay.

[Speaker 2]

Hey, thank you for having me again. I'm so happy to be here.

[Speaker 1]

So now, Clay, I need to talk to you about your Twitter profile.

[Speaker 2]

Oh, dear.

[Speaker 1]

It says you're a recovered actor.

[Speaker 2]

No, recovering.

[Speaker 1]

Recovering. In process. Oh, okay.

Yeah. We're not done with it yet.

[Speaker 2]

No.

[Speaker 1]

Could you tell us, though, what's the best role you ever played and why?

[Speaker 2]

There's a wonderful farce, it's dated now, but called Lend Me a Tenor, Ken Ludwig, very popular in the late 90s, was on Broadway, the whole thing, and I got to play the aging slightly befuddled opera star, and it was a lot of fun, and it was silly, and there was a lot of running around and slamming doors, and it was great.

[Speaker 1]

I love that. Okay. Like, where's the recording?

[Speaker 2]

Nope.

[Speaker 1]

That's amazing.

[Speaker 2]

Nope. Nope. Nope.

Thankfully, this was before social media, so.

[Speaker 1]

Oh, I'm so glad that my whole childhood was before social media.

[Speaker 2]

Oh, amen, friend. Amen.

[Speaker 1]

Oh, well, with that, let's dig into our one and only doozy of a fundraising question. Are you ready, sir?

[Speaker 2]

Bring it. Yes, let's do it.

[Speaker 1]

Okay, here we go. Every year in my organization, we do a staff competition for a peer-to-peer fundraiser. Staff members win prizes when they meet certain goals, and the winner gets an extra day of PTO.

We've had great success, with multiple employees raising several thousand dollars each year, but one of our newer staff members approached me, concerned that she knew she couldn't raise very much money. She's from a low-income background, and she didn't feel comfortable asking her family and friends for donations, but she didn't want to seem disengaged in the competition. Looking back, I'm realizing it's the same people every year that bring in the big money, and there are lots of staff who never win anything.

I'm starting to question the equity of this competition, and whether the impact on our organization's culture is worth it. Do you like fundraising drives like this?

[Speaker 2]

Wow.

[Speaker 1]

There is a lot going on here.

[Speaker 2]

So how much time do we have?

[Speaker 1]

As much as we need.

[Speaker 2]

Hey, look, let's not get in the business of shaming anybody that does anything in fundraising. I just really want to start there. I don't want to finger point and go, this is a bad thing to do, and you shouldn't be doing this, and blah, blah, blah.

Because the older I get and the longer I do this, the more I'm convinced that most charities are doing the best they can with the resources they can, and making the best decisions that they can, and Bravo supports to all of that. And having said that, please stop. Please stop this.

[Speaker 1]

The road to hell is paved with good intentions, Clay.

[Speaker 2]

Absolutely. The question that's posed is, do you like fundraising drives like this? No.

No, I do not. Okay, so I've answered the question. Now let's pick it apart a little bit, and let's talk about why from my perspective.

I love that this person really asks the question, forgive me if I get it wrong, but I'm starting to question the equity of this competition. That's what they said. I think that is the key.

Bravo for looking back at it and realizing that it's just a few staff that participate. Because I guarantee you, I guarantee you, there are staff every year that dread this, that don't look forward to this. Bravo to the one person who came forward.

Our socioeconomic status has nothing to do with anything here, right? Because you've got people who dread this and don't like it who come from high wealth, right?

[Speaker 1]

Yeah.

[Speaker 2]

And you've likely got a core group of people who think it's a lot of fun and do it and jump into it. And I guarantee you, they're the same ones that jump into everything that you do. I am willing to bet that this causes a lot of inequity and a lot of misbalance in the organization.

I am willing to bet that there are a number of employees who don't participate at all because they feel the same way.

[Speaker 1]

Yeah. And I bet there are those who participate and feel like it's a forced march and that they have to. And I wouldn't be surprised if this brave person who stepped forward feels like their job might be at stake if they don't engage.

Right.

[Speaker 2]

That is the problem with all employee giving programs is no matter how good you are, no matter how strong your culture is, it is always going to come across as coercion. Like this is a condition of my employment.

[Speaker 1]

A hundred percent. A hundred percent. And I say that as a person that has worked inside nonprofits, like that is, that is how it feels.

[Speaker 2]

I say this as a person who has run employee giving programs. Right now, that said, I actually believe very strongly in employee giving programs and I believe everybody should have them. And I think they should be a part of onboarding.

I think there should be a private issue between the employee and HR and I think it should be offered and made available, but by no means coerced and by no means doing everything absolutely possible to make it clear that this is voluntary. It's something you choose to do if you wish to do. And if you're going to do it, make it available as a payroll deduction pre-tax so that the employee can make it a part of.

And then it's going to be on the development office to treat those employees like donors.

[Speaker 1]

Yeah.

[Speaker 2]

Right.

[Speaker 1]

Well, and my beef with this is a lot of times we're not paying fair market wages. We're not paying fair market salary.

[Speaker 2]

Correct.

[Speaker 1]

And then we're like, oh, BTW, please give me 10 percent of your kittens that we're paying you to work here.

[Speaker 2]

Correct.

[Speaker 1]

What? You know?

[Speaker 2]

Chances are that most people are working at your charity because they really believe in the mission, and they love it and they're willing to work. Well, of course. Lower wages and long hours and all of that, which is a whole level of inequity that we still need to address and will always need to address in the sector.

And then you add on to it. Hey, we want you to give to like now enough. Right.

Right.

[Speaker 1]

As if the only people that work there are people who are well off that can afford to work for charity and basically give away their salary to. Right.

[Speaker 2]

It really doesn't cost you give anything to give an employee extra PTO. It really doesn't. No.

[Speaker 1]

Well, and that's a whole other layer to this is like, well, is the why is that a coveted prize? Like, are you not providing enough PTO that is even fair? Because I've definitely seen nonprofit sector employers that are in that bottom 10 percent of time off given.

And, you know, it doesn't cost you anything. Just give the people the time off.

[Speaker 2]

And do I get PTO without you bothering me during the day? Like, what's the ramifications of this PTO? Can I take it whenever I choose?

Does it have to be in conjunction with other PTO? What if I want to take it off the day before the gala? Like, there's a whole lot of that.

And then if you notice, they mentioned other prizes. Staff members win prizes. The winner gets an extra day of PTO.

How are those prizes calculated in there? You're the attorney. You know this better than I do.

How are they calculated in their compensation? Are they of value?

[Speaker 1]

That's not super clear. It's like, this seems like they're going out to their network of community members and soliciting donations. So, then it's like, even more so, wait, are we actually running afoul of an AFP standard accidentally?

[Speaker 2]

Tell me what you mean by that.

[Speaker 1]

Well, offering like compensation in exchange for your fundraising efforts.

[Speaker 2]

Yeah. Yeah. Oh, OK.

Oh. Wow.

[Speaker 1]

Now I blew Clay's mind.

[Speaker 2]

Oh, my God. Are the prizes based upon? Well, boy, that's a whole thing to pick apart because what are the prizes?

What's the value of it? Are they tracked in an employee's compensation as compensation if they win a prize? And therefore, could that be considered a bonus for fundraising?

Wow. OK. Ethically and equity, this needs to end.

Sorry. Sorry to be that blunt. But you have to look at it through that lens, though.

Ethically and equitably, right? Is this right? If a staff member wants to run a peer-to-peer campaign for something like a Giving Tuesday or a Giving Day or something like that, by all means, encourage it, allow it, support it.

But there's so much to avoid that this just this just concerns me on so many levels. The bigger question is, why do we need this fundraising?

[Speaker 1]

Right. Where? Why is this?

Is this in any way significant to our budget for the year?

[Speaker 2]

If this is meant to be a staff engagement thing, let's think of better. Let's think of a better way.

[Speaker 1]

Let's fail. If this is if this is supposed to be a morale booster, a team builder. Let's put you all in a death match in the ring and have you fight to the death for one day of PTO.

Whoever can bring in the most donations, that's going to really boost your morale as a team.

[Speaker 2]

Right. You are. You are my favorite podcast.

You're my favorite podcaster, et cetera. And I say all that to say I was on another podcast.

[Speaker 1]

But Cheater Cheater.

[Speaker 2]

Right. Yeah. The question came up.

They did a whole party at a board member's house. They invited all the staff, and they ran a fundraiser along with it. And they invited prospective donors.

And the whole thing was the chair of the board agreed to match donations up to ten thousand dollars at the end of the party. They had met that. And he said, if we raise another ten, I get to throw the executive director in the pool fully clothed.

And everybody thought this was clever and funny and hilarious and blah, blah, blah. And my reaction was, why did the board chair feel it necessary to embarrass the executive director in front of the community? How is that?

What did that say to the rest of the staff and the team? Like there was so much and everybody thought it was hilarious. And I'm sitting there going, no, there's a problem here.

And this is the same thing here. I see a problem here. I'm willing to bet that those people that quote unquote win every year are the ones that are seen as the popular club, the ones that have been there the longest, the ones like there's just a whole misbalance of stuff here, which could open the door handled well to have a really open, honest discussion with leadership about what the issues are.

And then an open, honest discussion with the staff about why we're going to end this. And I guarantee you there will people who will be relieved and grateful but come up with something to recognize the staff in a different way.

[Speaker 1]

Right. And one of the most valuable classes when I did my master's in nonprofit management, one of the best classes I ever took was organizational culture and development.

[Speaker 2]

Yep.

[Speaker 1]

That is one of the least considered aspects. When I'm working with nonprofits, nobody's ever being like, well, I wonder how this affects our organizational culture. It's like your culture is getting created without you even trying.

And so, you need to be aware that that is the thing that you're doing. And this, you know, of course, this goes into the equity and inclusion and racial justice and all of that. But just into having like a broey, weird, hierarchical bro culture where people throw you in the pool as a laugh for 10 grand.

Like, is that the culture you want to be creating? People need to stop and think about these things as the like little idea generator is going. There should be another lens that we put against the ideas before we go implement them.

[Speaker 2]

In a situation like a work environment, the in-group has to consider the feelings of the out-group. And the in-group is always there. And it's very easy to say, right, we're senior leadership.

We know who our best employees are because they're always engaged. They're always doing things. And we tend to listen to them and not to the ones who are on the outside.

Right. Not to the ones who aren't engaging. Same thing in the classroom.

We never learned this in education. Right. I teach strategic planning in the graduate school at University of Nevada, Las Vegas.

And my students schooled me this semester on values, organizational values that are culture. And therefore, our strategic planning comes out of our organizational values. The question is, how do we live those values?

Are they just a statement that we make, or do they really guide? Because if we're going to publish if we're going to publish a support statement for Black Lives Matter, if we're going to if we're going to publish and many nonprofits do right, our equitable statement, do we live it every day? Because we can't publish out there.

These are our values, and we value all people, and we value all. And then create something like this that creates a separation within the organization. Culture has to come from leadership, and it has to come out of those values.

We've really got to believe them and live them or we're just giving lip service to it.

[Speaker 1]

Well, I think it's hard to make that switch. It's almost like everybody at the organization needs to carry a little three by five index cards with the this is what we've said our values are. And I'm going to have this in my pocket.

And every time I'm about to implement some new thing, I'm going to pull this index card out of my pocket and actually do a little check here. Like, is this in alignment with our values? Like, I really think it almost has to get that basic rudimentary because we just forget, and we just do what we do.

[Speaker 2]

I worked with one organization that published their core values, made them adhere to the brand guidelines and bought picture frames that match that fit the office decor so that

everybody had their core values in the same frame visible on their desk. They worked so hard at presenting their core values that they forgot to live their core values.

[Speaker 1]

Oh, I was so excited for that story, Clay. I was like, no, I'm sorry. Great.

That's so great. And then they dropped the ball.

[Speaker 2]

And they would literally have demeaning, degrading conversations with people at their desks in front of this value that said, you know, we don't demean and degrade people like it was literally happening.

[Speaker 1]

Oh, man. So, the index card doesn't work.

[Speaker 2]

Well, it might. It would if you empower everybody to hold everybody accountable. Right.

Yeah. So that the lowest paid employee or the lowest ranked hierarchically can look at the executive director and say in confidence and comfort without fear of repercussions, hey, in this moment, you're not living the values that you profess. This is what I'm feeling.

And this is what I'm seeing right now. And let that be allowed and heard. Right.

[Speaker 1]

Yeah.

[Speaker 2]

I champion this newer staff member coming forward on this.

[Speaker 1]

I was just going to say to circle back to the question. Bravo.

[Speaker 2]

Right. And I champion this person who heard it and listened to it.

[Speaker 1]

Yeah. I love that they're wrestling with it. They're going this happened and a bravo that this person could come to you.

It's not like it's a toxic goo workplace because this person actually felt empowered to come say something to you and you are wrestling with it, which is all we can really ask.

[Speaker 2]

Yeah. And if this organization really wants to live up to this and really wants to do something, if I were their consultant, if I were their organizational leadership consultant, I would say good.

Bring everybody, including the board, into an open discussion and really talk about this and really listen to what people are saying.

[Speaker 1]

Yeah. And not calling this person out and being like, well, so-and-so said that this was a problem for them and.

[Speaker 2]

Right. And also, don't come back and go, we understand that this has created some bad feelings. So, we are going to end this program.

We'll let you know what the next one will be. No. This is an opportunity for cultural and organizational growth.

Bring everybody to get together, have it facilitated, open up the discussion. I guarantee I guarantee you there are other issues here that aren't being spoken about that are part of this. It's a huge opportunity for growth, for learning, for some really positive development.

Right. Yeah. Flip the script on it and make it a positive evolutionary process, not an admonition one.

Yeah.

[Speaker 1]

Right. So, for the takeaways here, you know, well, I think one is sort of this tussle between how to deal with employee giving. Right.

So, employee giving is great, but not if we make it a shame based, competitive, demoralizing experience.

[Speaker 2]

Agreed.

[Speaker 1]

So, make it available, but, you know, stay classy. And then I think another one is that we need to kind of be careful what our fundraising, especially internally, says about our organizational culture for our staff. Yeah.

And then we need to really stay mindful and conscious of filtering our good ideas for not only legal and ethical filtering, but also org culture and what are we trying to accomplish here? And are we living up to our values or do we even have any value?

[Speaker 2]

Well, yeah. Do we do we have them, and do we do we do we value them? Do we really live them?

Do we value our values? Right.

[Speaker 1]

Yeah.

[Speaker 2]

Yeah.

[Speaker 1]

Well, there's you know, there's your what you say your values are. And then there are there's reality. Right.

We want to make those things match, you know, in a positive way.

[Speaker 2]

100%. Can I just plug a real quick resource on this?

[Speaker 1]

We like resources, especially if they're useful and helpful in solving these problems, because these are messy and difficult.

[Speaker 2]

And I can get you the link to it. Our friend from Twitter, Ephraim Gopin, published an e-book about a year or two ago on employee giving.

[Speaker 1]

I did a blurb for that. He interviewed me for that. Oh, fabulous.

I'm in there.

[Speaker 2]

I'd say it is, to the best of my knowledge, one of the only real resources on it in the sector. And it's really quite well done. We encourage anybody to download it, read it, absorb it, because it's just a phenomenally good resource for it.

I've got the link for you. I can share it.

[Speaker 1]

Yeah. We'll throw that in the show notes.

[Speaker 2]

Ephraim Gopin, I think it's 1832communications.com.

[Speaker 1]

There you go. Look at you.

[Speaker 2]

And if I mispronounced his name, I apologize. I always struggle with that one.

[Speaker 1]

I always thought it was Ephraim, but it's Ephraim.

[Speaker 2]

Oh, good. There you go. Right.

[Speaker 1]

All right. So, if you want to find Ephraim, he's on Twitter. Clay is also on Twitter, @tclaybuck.

And you can find Clay at his website, tcbfundraising.com.

[Speaker 2]

There you go.

[Speaker 1]

Clay, thanks so much for being here.

[Speaker 2]

Oh, thank you. This was great.

[Speaker 1]

Folks, if you enjoyed this episode, do me a huge favor. Share it with a friend. Rate, review, subscribe on your podcast app.

It really does help me out. If you have a question or a story to share, I'd love to hear from you. Send me a note online or leave me a voice memo by calling 612-208-9120.

Thanks for listening. All right, folks. That's our show.

Be sure to follow me on Instagram or Twitter, at Jess Birken. We want to hear from you. Send us a message at our website, charitytherapy.show. And don't forget to subscribe to our newsletter at Birkenlaw.com/signup. Charity Therapy is a production of Birken Law Office, PLLC. Our theme song is by WhaleHawk. And remember, folks, this podcast is produced for your entertainment and is not a substitute for actual legal advice.

About the Author



Hi, I'm Jess Birken.

I'm the owner of Birken Law Office, I help nonprofits solve problems so they can quit worrying and get back to what matters most – The Mission. I'm not like most attorneys, I actually have an outgoing personality, and – like you – I like to think outside the box. Most of my clients are passionate and have an entrepreneurial spirit. I'm like that too. My goal is to help you crush it. Getting bogged down in the minutia sucks the joy out of the important stuff. My clients want to do the work – not the paperwork.

Let's connect!

jess@Birken Law.com | [612.200.3679](tel:612.200.3679) | [@JessBirken](https://www.linkedin.com/in/jessbirken)
www.linkedin.com/in/jessbirken
www.facebook.com/Birken Law