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New Fame for the Everyday Donor

By [STEPHANIE STROM](#)

AFTER years in the shadows, the everyday donor is emerging as philanthropy's newest hero, the driver of a more down-to-earth approach to charity. Sure, [Bill and Melinda Gates](#), [Warren Buffett](#), Bono and other celebrity mega-donors still have their place, but now high-profile charities are homing in on smaller donations, while new charities are being organized around the principle of modest giving.

"This is one of those all-hands-on-deck moments where we absolutely need to engage everyone, whether they are able to give 50 cents or \$50 million," said David Saltzman, executive director of the Robin Hood Foundation, famous for annual benefits where billionaires routinely hand over \$20 million.

Americans have always been generous givers, and small donations have always played their part. After a tsunami devastated parts of southeast Asia in 2004, individuals in the United States donated \$2.78 billion of the \$6.2 billion raised for relief efforts — and the median gift was \$50, the average gift \$135. Yet multimillion gifts and lavish campaigns and events often commandeered the spotlight and the press coverage.

"We are deluded by the attention paid to the large contributors in our country," said Wendy Smith, author of "Give A Little: How Your Small Donations Can Transform the World."

"Small checks coming through the mail are the bread and butter for most organizations."

From leaving a can of soup on the doorstep for collection by a local charity to logging on to the Internet and making a mini- or micro-gift, the small givers are drawing attention for their good works and their willingness to keep giving in a tough economy.

At Robin Hood, a charity founded and supported by hedge fund tycoons and Hollywood celebrities, Mr. Saltzman said the organization was for the first time working to attract young professionals whose pay is closer to \$30,000 than to the nine-figure incomes of its founders.

Diana Aviv, president and chief executive of the Independent Sector, a trade association representing nonprofits and foundations, said many charitable organizations were "making an effort to diversify their funding bases and not depend on a few large funders, whether they be foundations or individuals." For those organizations comfortable with technology, she said, "this is not hard to do; but for others, it will take rethinking the way they fund raise altogether, including the professionals they use to help them raise money."

One charitable organization that always recognized the value of the small donor is the March of Dimes, which gets about 22 percent of its revenue from gifts averaging \$14. “We are, indeed, the house the dime built,” said Dr. Jennifer Howse, its chief executive.

The bulk of those gifts come from direct-mail efforts, though more and more from the Internet and social media, she said. The March of Dimes also relies on supermarket checkout lines, where at many stores shoppers can add a \$1 donation to their purchase. At Kmart stores alone, this raised \$6 million.

“Gifts of \$10, \$15 and \$20 can buy supplies for our research labs, books for a baby’s nursery, a bundle of 15 brochures on healthy pregnancy to put in [Medicaid](#) clinics,” Dr. Howse said. “They really are valuable.”

Among the new charitable endeavors thinking small is One Can a Week. Peter Norback asked his neighbors in Tucson to put a can of food on their doorsteps every Sunday and would collect them and deliver the food to the Tucson Community Food Bank, which like most other soup kitchens has seen a sharp increase in demand.

“I did 10 houses the first week, the next week, those 10 plus 10 more,” Mr. Norback said. “I built it by tens. It took me months.”

About 140 households in the neighborhood now participate, and through Sept. 30, they contributed more than 6,500 pounds of food and \$1,262 in cash, or enough to feed more than 1,500 people three meals.

Similarly, One Day’s Wages, a new charity established by Eugene Cho, a Christian minister in Seattle, asks donors to give up a day’s income to charity. The idea came to Mr. Cho during a trip to Myanmar a few years ago when he visited a school in the jungle whose teachers were taking better-paying jobs in bordering Thailand.

He asked a village elder what it would take to retain teachers, and they said about \$40 each. Not a week. Not a month. “I realized he meant per year,” said Mr. Cho. “It hit me: \$40 can make a huge difference.”

He started a [Facebook](#) group, Fight Global Poverty, and pledged to donate \$1 for each member who joined, up to a total of \$100,000. The group now has more than 1 million members, and Mr. Cho and his wife will contribute about \$68,000 this year — representing a year’s wages — and the rest next year. One Day’s Wages received tax-exempt status in May and started its Web site last month at www.onedayswages.org. “It’s easy to be drawn to the multimillion-dollar donations, but we’re doing ourselves a disservice by not elevating the stories of the working mothers and fathers who also contribute what are significant amounts to them,” Mr. Cho said.

GlobalGiving, another online fund-raising organization, supports very small projects proposed by nonprofits typically seeking less than \$1,000. It has raised \$22 million since it started in 2002, with an average gift of \$54.

“There are many Americans whose first interaction with giving, if not through a church or synagogue, is through an educational institution, normally as part of some big capital campaign that is trying to raise

\$100 million,” said Margaret Coughlin, GlobalGiving’s chief marketing officer. “It makes you feel like an ant.”

GlobalGiving holds contests for organizations seeking a spot on its Web site. In a recent contest for nonprofits working internationally, ZimKids managed to raise \$26,726 to educate and house orphans in Zimbabwe. The average gift was \$240, but many were smaller.

“They had been looking for that \$5,000 donor, the person who would give \$10,000, but they participated in the global challenge to see how they’d do,” Ms. Coughlin said. “When it was over, the founders told us that the \$25 and \$50 gifts that had been made were the difference between being able to take care of 160 kids and not.”

Even big philanthropists can speak the message of smallness. “Just \$2, that’s all it takes” to buy enough vaccine to give a poor child a much better chance of living to the age of 18, [Bill Gates](#) once said. While the Bill & Melinda Gates Foundation is known for its grants in the tens or hundreds of millions of dollars, it recently introduced the Living Proof Project, intended to demonstrate the impact American [investments](#) in global health could have at a granular level — how for mere cents, critical nutrients can be added to baladi bread in Egypt or to the diets of mothers tutored in the value of breast milk.

Small grants have produced some of the biggest successes in foundation history, including the \$96,691 that the [Ford Foundation](#) gave Mohammed Yunus to create the Grameen Bank and lead the way in [microfinancing](#). Mr. Yunus and the bank received the Nobel Peace Prize in 2006. Ford, which gives away hundreds of millions of dollars a year, has been criticized for making too many small grants, but it has steadfastly stuck to that strategy as and more foundations moved to give money away in larger chunks.

“Making relatively small grants is really fundamental to the way we work, because over many, many years of experience, we have found that many ideas start small,” said Suzanne Siskel, director of social justice philanthropy at Ford. “What we do, then, is take a risk on a completely new idea that, if successful, we help grow.”

Even Wall Street is recognizing the power of small. Fidelity Investments, which manages one of the largest pools of the charitable-giving accounts known as donor-advised funds, used to require that any donation from these funds be at least \$100. In October 2008, it dropped the minimum to \$50.

“We wanted to help donors use their account balances to give to as many causes as they had been accustomed to in the fat years, and if that meant reducing the minimum grant requirement, we were happy to do it,” said Sarah C. Libbey, president of the Fidelity Charitable Gift Fund. “Small gifts do matter, especially when they are channeled and consolidated.”

This article has been revised to reflect the following correction:

Correction: November 13, 2009

An article on Thursday about increasing attention being paid by charities to individual donors misspelled the surname of the executive director of the Robin Hood Foundation. He is David Saltzman, not Salzman.

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