

Fixing Face-to-face Fundraising

Stakeholders get serious on a makeover for the industry



More and more organisations are turning to face-to-face fundraising as a means of recruiting and retaining new donors. Yet this style of fundraising can be controversial. CHRIS RICHES looks at the issues surrounding this very “in your face” style of fundraising, and finds an industry and a group of not-for-profits keen to set things right.

Location: Usually a busy capital city pedestrian thoroughfare (Martin Place if you’re in Sydney; Bourke Street Mall in Melbourne; or perhaps Rundle Mall (Adelaide) or Garema Place (Canberra)).

Time: Seemingly any time, but especially during weekday morning and afternoon peak times, as well as lunchtime.

Appearance: Usually casually-dressed, but often with matching caps or shirts, and each carrying a clipboard and forms.

Demeanour: Cheerfully assertive, with plenty of “front” and sometimes with voices carrying a hint of an overseas accent.

Mission: To convince people to give money to their cause.

We’ve all seen them. Many of us have been stopped by them. Some of us have ignored them, some of us have stopped to chat. And some of us have signed up as donors.

Face-to-face fundraisers have become part of the hustle and bustle at many busy locales around Australia over the past decade.

But as more and more organisations have started integrating face-to-face fundraising into their moneymaking strategies, complaints and criticism from the public have also ballooned.

Many people object to the intrusion into their personal space, the uninvited interruption to a lunch-time walk or their efforts to get where they are going.

Others have objected to the “pushy” behaviour of the face-to-face personnel themselves – their perceived aggressiveness, pressuring techniques and unwillingness to take no for an answer.

And there are those who oppose the very idea of charities and not-for-profits paying outside agencies

to provide staff for face-to-face fundraising, particularly when they are paid on commission.

Taken together, these factors quickly turned public and media opinion against face-to-face fundraising. In a short time, Australians learned a new term, one already common overseas as a derogatory descriptor for face-to-face fundraising personnel: “Chugger” – short for “charity mugger”.

So why, given all these negatives, does face-to-face fundraising continue to grow? Why do many groups in Australia now view it as a vital part of their fundraising armoury?

And what have the groups that use face-to-face fundraising, the outside agencies that provide many of them with staff (also known as advocates or “fronties”), and the fundraising authorities themselves, done to try and fix the problems that have given the industry a bad name?

Who is involved in face-to-face fundraising?

Traditionally, medium to large groups have been most likely to use face-to-face fundraising.

In Australia, that includes big local charities as well as local affiliates to well-recognised international groups.

All but a handful of these groups works with one of four or five outside face-to-face fundraising agencies operating in Australia.

One of them is Face2Face Fundraising, which works with organisations like Wesley Mission, the Heart Foundation and the Cancer Councils of SA and NSW.

According to Face2Face CEO Helen Wright, two key factors determine whether face-to-face is deemed suitable for an organisation.

“Really, this form of fundraising costs money, so the charity needs to be in the position to be able to pay for new donors. This means ▶

Face-to-Face Fundraising: A Short Guide

What is it: Face-to-face fundraising involves charity and not-for-profit representatives approaching people on the street to encourage them to give money to the organisation through periodic donations via their debit or credit card.

Who’s doing it: More and more groups are using face-to-face fundraising, though it remains, for the most part, the domain of medium to larger groups.

What does it cost? Organisations are coy about revealing exact costs, but it’s fair to say it isn’t cheap and requires a decent outlay and significant resources.

What is the success rate? Apparently very good. Face-to-face fundraisers trumpet figures like 150,000 new donors gained through this method of fundraising in Australia during the past year.

What are the pitfalls? The cost, and the potential for negative public perceptions are the two main pitfalls.

How do I get started? Australia has four or five agencies which work with groups on face-to-face fundraising requirements. Two of the major ones are Cornucopia (www.cornucopia.com.au) and Face2Face Fundraising (www.face2facefundraising.com.au/index).

they have to have a big enough fundraising budget to do so," she says.

"Another key thing is brand awareness.

"This is very important because if people have heard of the charity, it makes it easier for our people on the street. But if people have never heard of the charity, we have to spend a lot more time explaining what they do, who they are, and how they spend their money.

"Brand awareness helps provide a 'shortcut' for people out on the street to recognise you."

But an absence of brand isn't necessarily a fatal flaw. Ms Wright says Face2Face has worked successfully with a small Brisbane charity, Abused Child Trust, which, despite its size, gained enough public recognition for face-to-face fundraising to be effective.

One group with no such recognition challenges is Greenpeace Australia. Chris Washington-Sare, head of the organisation's fundraising and

marketing department, says Greenpeace it uses both in-house and external agency teams for face-to-face fundraising.

"When we started face-to-face fundraising a decade ago we engaged an agency. After a few years we felt it would be a good idea to establish an in-house presence as well," he says.

"The reason for this was to basically spread the risk. We didn't want to put all our eggs in one basket and become over-reliant on one particular supplier.

"What we've got now is some small teams working in Sydney and Melbourne as part of our in-house operation, and agency teams working around the rest of the country."

Why face-to-face fundraising?

Charities and not-for-profits, face-to-face fundraising agencies and even the Fundraising Institute of Australia (FIA) acknowledge the number of groups using face-to-face fundraising has increased.

But there are different explanations as to why.

Ms Wright believes it is because of the track record of success: "In the Australian market, for many organisations, this is definitely the most cost-effective tool to recruit regular givers. TV advertising, direct mail advertising, inserts in your magazines – they are all generally very expensive and charities struggle to get returns on them," she says.

"For example, the Cancer Council of NSW has gained 50,000 donors over the five years they have worked with us. They couldn't have done that with any other form of fundraising.

"Generally, when groups work with an organisation like us, they only pay for what they get."

According to Ms Wright, as long as not-for-profits build relationships with donors recruited through face-to-face fundraising, the method is the most cost-effective form of fundraising "in terms of five-year return on investment".

Mr Washington-Sare says groups consider the idea of personal contact with prospective donors – especially in an increasingly competitive donor market – another big positive.

"I've seen over the past seven or eight years a massive growth in face-to-face fundraising from a range of different organisations," he says. ▶

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Face-to-Face Fundraising: a Backgrounder

Face-to-face fundraising traces its origins back to the early-to-mid 1990s.

The method of fundraising originated in Europe – most specifically Austria – where it existed for a few years before being exported to Britain by environmental organisation Greenpeace around 1997.

Greenpeace is generally acknowledged as the group which popularised its use. Its impact in Britain saw the concept arrive in other countries, including parts of the US.

Face-to-face fundraising has grown exponentially in Australia in recent times, with many local and international organisations using it as a key part of their fundraising efforts.

It should be noted that the term face-to-face fundraising actually specifically refers to the concept of representatives on the street signing people up to periodic donations from their credit or debit card.

Under the FIA's Standard (see box on page 18), face-to-face fundraisers are not allowed to accept cash donations from people – something which makes this form of fundraising entirely different from the common "tin-rattle" many of us have experienced in local areas, or when stopped in our car at traffic lights.

"I think a big reason is that a representative of the organisation is making direct contact with people; whether they are employed by an agency or the actual charity doesn't really matter in this sense because the person being approached sees they are being approached by someone from the charity.

"That personal contact is far more impacting than a letter in the mail or an insert in the newspaper."

The public perception

Though successful on many levels, there's no denying that face-to-face fundraising does have its detractors, usually based on one of three views:

- 1. That face-to-face fundraisers should be volunteers, and shouldn't be getting paid.
- 2. That charities and not-for-profits should be able to raise their own money, and shouldn't pay outside agencies to do so, and;
- 3. That face-to-face fundraisers are aggressive and pushy.

Mr Washington-Sare says it's no use denying face-to-face fundraisers are paid to recruit donors.

"When we stop a donor we need to be clear right from the beginning that the face-to-face fundraiser is being paid to speak with them," he says.

“Really this form of fundraising costs money, so the charity needs to be in the position to be able to pay for new donors. This means they have to have a big enough fundraising budget to do so”

"We shouldn't hide from that because you can start to mislead people that these fundraisers are doing this from the goodness of their heart. They're not, they're doing a job. And that job is to raise money."

Ms Wright agrees, adding that not-for-profits commonly outsource a variety of tasks, with fundraising being just one of them.

"Charities outsource work all the time. They outsource direct marketing work, they outsource press and media work and they outsource other things. This is just another element of that outsourcing because it is more cost-effective to outsource than it is to do it themselves.

"But things really blow up when people see this and start asking: 'How much does this all cost? How much is this costing the charity? Why aren't they volunteers?'"

"When this happens we are very open. We say that 100% of their donation does go to the charity, but that the charity, out of a different budget, pays for this kind of fundraising. In other words they have an expenditure budget and an income budget, and they're using their expenditure budget to raise income. You have to invest if you want to raise money over time."

Ms Wright says the negative depiction of face-to-face fundraisers can overshadow the good they do.

"We hear a lot about the negative, but we never really hear about figures like the 150,000 people who signed up as donors to charities via street fundraising last year," she says.

"We hear about them here (at Face2Face) because when we give them a welcome call we hear them talk about how well they were treated.

"Generally all the public hear about is the 'chugger' thing; charity muggers. They and the media never talk about the difference it can make, the difference to charities, how many lives it can save, how many people it can help."

Even so, the negative public perception of face-to-face fundraisers still lingers for many, and is one which has contributed

to the industry's collaborative drive towards better standards, education and training.

In the classroom – the impact of training and the Standard

Improvements in training given to staff on the street has been central to improving the practice of face-to-face fundraising, most involved in the industry agree.

At the centre of this improvement has been the FIA, which has worked closely with face-to-face fundraising agencies – and the charities and not-for-profits themselves – to develop a formal Standard of Face-to Face-Fundraising Practice.

Both the major charities and outside agencies agreed to adhere to the Standard upon its establishment in 2005.

The Standard (see box on page 18) covers the gamut of face-to-face fundraising issues, but according to FIA chief executive Sue-Anne Wallace, one important emphasis during its development was on bringing training up to scratch.

"To be able to stand on the street and to approach people and ask them if they would like to learn more about a charity and if they'd like to then support them takes a degree of bravado that many people could not summon," she says.

"It takes a confident, outgoing person to do a job like this. They tend to be young and they've got all sorts of energy and enthusiasm. And this is where training is so important, as it gives them guidance and helps them channel that enthusiasm properly."

Importantly, both not-for-profits and face-to-face agencies take the training component of the Standard extremely seriously.

Helen Wright says training is the key component of Face2Face's recruiting process. Potential advocates go through a group interview process before undergoing two days of training.

"The training is about giving them the skills set and the boundaries so they are able to go out there, communicate and become successful fundraisers," she says. ▶



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“They come in, learn about stopping techniques and about the Standard.

“We work with them on communicating with people and using positive emotive language. We give them a guide for a ‘pitch’ about the organisation we are working with, what they do and how the member of the public the advocate is talking to can help.

“We also talk about objection handling – if someone they stop says they can’t afford it, we give them the tools to say ‘We completely understand that you think you can’t afford it, but have you thought about it in this way or that way?’, or ‘Do you realise the difference you would be making?’”

For Greenpeace Australia, both in-house and outside agency teams receive the same basic training, and

all are expected to adhere to the same code of behaviour.

Greenpeace, like many others, puts great stock in daily updates and feedback from team leaders “out in the field”.

“Each team of ‘fronties’ has a team leader. This team leader has a dual role – firstly, to do some fundraising, but the other is to ensure the team is motivated and performing well,” says Chris Washington-Sare.

“We have written briefing documents and make sure team leaders cascade those briefs down to their teams in a consistent and structured manner.

“We also have weekly meetings where the ‘fronties’ get together and we do what we call skill sharing, and updating on our campaigns. So we type up some ▶

The FIA Standard

In 2006, the Fundraising Institute of Australia, along with 20-25 major charities and not-for-profits, and Australia’s face-to-face fundraising agencies agreed to a new Standard of Face-to-Face Fundraising Practice.

All parties believe the document has been a driving factor behind improved behaviour and better conduct among those using face-to-face fundraising.

Among the components of the Standard are that:

- The organisation conducting the face-to-face appeal must stage a training program for individual fundraisers at least 30 minutes long.
- The organisation involved is clearly identified by its full name, ABN, address and logo.
- Fundraisers have to clearly display to prospective donors an authorised pledge form, a comprehensive name tag and identification requirements for the appeal.
- Fundraisers must provide “clear and adequate information” to donors about any follow-ups the organisation will perform with them. This includes any follow-up via telephone.
- Advocates on the street must not accept cash donations – only commitments to direct debits.
- Prospective donors must be told, if they ask, of the intended use of the donation if they ask.
- Those undertaking the face-to-face fundraising must, when asked, disclose how they are engaged by the organisation for which they are raising money. This means donors stopped in the street by a face-to-face fundraiser can ask if the individual is member of or volunteer for the group, or whether they are engaged by them as a contractor or from an agency.

In addition, fundraising personnel:

- Are banned from stopping a person going about their lawful business.
- Are barred from entering private homes or buildings.
- Can’t mislead donors or prospective donors.
- Have to work in teams of two or more.
- Aren’t allowed to seek donations from those aged under 18, or people who are frail, infirm or people with a disability.

The FIA’s Sue-Anne Wallace says the Standard is constantly reviewed and improved. She encourages people who feel an organisation is breaching the Standard to lodge a complaint.

The Standard can be downloaded here: <http://tinyurl.com/au/x.php?ych>.

formal documents which say what our campaign's positions and messages are to make sure the 'fronties' are aware of them."

At what cost?

While it's clear that not-for-profits using external face-to-face fundraising agencies essentially pay them on a commission or "per donor delivered" basis, both the organisations doing the fundraising and the agencies themselves are reluctant to detail the exact costs.

What's clear is that a number of groups have moved away from using performance-based payments or commission systems to pay their staff, in what might be viewed as a nod to public sentiment.

To be clear, these types of payment systems are still allowed under the FIA Standard – at least as long as the advocate or staff member is aware of the arrangement before agreeing to

Jobs for Backpackers?

The archetypical image of a face-to-face fundraiser is often of a young backpacker or tourist wanting to earn a quick dollar while on holiday.

Helen Wright says Face2Face's advocates are a rough 50-50 split between locals and people from overseas, saying that young tourists are often well-suited to the work.

"This work can give them an instant family and friends as they become part of a team – which is a big part of why something like face-to-face fundraising is successful; not only because of the one-to-one engagement on the street, but the people who are doing it are having a great time working as a team and are passionate about what they are doing," she says.

"A lot of the time the backpackers who come from overseas are bright, they've come from university, are really good at communicating. These are skills you really need in this job."

fundraise, and that remuneration is "not calculated on the basis of a percentage of a donation".

"They are paid like most of us to do a job, and they are to do that job according to the key performance indicators and general targets of the job – but are not paid on a percentage of funds collected," says Sue-Anne Wallace.

"This ensures there wouldn't be any particular pressure put on the donor that would then accrue (as payment) to the advocate themselves."

Ms Wright says Face2Face advocates are paid a base wage but can still receive bonuses for performance. She acknowledges that these bonuses could alter advocates' behaviour.

"If our advocates hit particular targets we'll pay a bonus, if they hit pledge quality targets we'll pay an additional bonus. But we pay a base wage because while we want to reward them if they have a great week, if they've had a bad week they will still get a base wage," she says.

"Our view is that this makes them less pushy. They are always going to get a base wage, so it's not all about quotas and targets. But there are different models that work for different groups."

Greenpeace Australia continues to use a performance-based arrangement: "It's payment on results. 'Fronties' get a commission for the number of supporters they recruit," says Chris Washington-Sare.

"In crude terms, the reason for that is for motivation purposes.

"We basically have incentives in place for ensuring the people they are recruiting are of the right age profile and who actually stay with us for a certain period of time. Those types of things are very tangible ways of saying: 'Look, we want to recruit 'this' type of person, so please go out and do so.'"

Even so, Mr Washington-Sare agrees the public is probably justified in being concerned about how this can affect "pushiness levels".

"Yes, there can be a worry that 'fronties' will go out there and be

a bit pushy. This is always the challenge with face-to-face – you are constantly having to strive for the balance between getting a good volume of supporters coming through versus the quality of the supporters coming through," he says.

"We tell 'fronties' directly that it is far more important to have lower volume and higher quality than the other way around."

Responding to public complaints

Of course, if face-to-face fundraisers overstep the line, the public has the right to complain.

The FIA Standard makes it clear that face-to-face fundraisers must tell people wishing to complain that they may do so through the FIA's complaints process. The fundraiser, if asked, must also provide the person with a copy of that complaints process.

Further to that, the FIA's Sue-Anne Wallace says, the Institute has a presence on the Australian Competition and Consumer Commission (ACCC) website so it can field fundraising complaints. People also have the right to complain about advocates' behaviour through the media or to councils or shopping centre owners, who give teams permission to undertake face-to-face fundraising.

But Ms Wallace differentiates between people formally complaining about improper fundraiser behaviour and just complaining because they didn't like the method of fundraising: "Really, there isn't an avenue to just complain about face-to-face fundraising, because it is allowed and it is legal," she says.

Mr Washington-Sare says the aim of a proper training program like that outlined under the FIA Standard should be to prevent problems before they occur.

"If there is a complaint, we review the full facts. We contact the donor if they haven't already contacted us and speak with them about what is going on," he says.

"We speak with the 'frontie' as well, and if the 'frontie' is ►

employed by an agency we talk to the manager there.

"Basically, our aim is not to offend or upset a member of the public, so our default position tends to be that we will immediately refund the donation and make profuse apologies.

"We're very strong in our training about how the 'fronties' are an extension of Greenpeace. What they say and do reflects on us – even down to the types of messages that we want them to say about our campaigns.

"We insist strongly that 'fronties' need to conduct themselves in a manner that doesn't bring the charity into disrepute. It is our responsibility to say that we want people to be treated with respect; we don't want them to be intimidated or feel threatened, or spoken to in a rude manner."

Final thoughts

In recent years, the Australian face-to-face fundraising industry – through initiatives like the FIA Standard – has shown itself as more committed to improving its standing in the community.

Still, it goes without saying that there will always be people who object to this "in-your-face" style of fundraising, or to the fact that some not-for-profits employ outside agencies to do it on their behalf.

No-one is suggesting the industry is perfect. But not-for-profits, outside face-to-face fundraising agencies and the FIA believe the situation has improved.

"Look, in 2004 and 2005 I would do a number of media interviews about face-to-face fundraising that were quite negative. I don't do those anymore," says Sue-Anne Wallace.

"There is a very different sort of behaviour that is exhibited by advocates because they have been given some training so they understand the importance of professional conduct and best practice."

Face2Face's Helen Wright says the level of professionalism in the industry has risen markedly.

"It has actually been the charities that have gotten together, along with the FIA, and said: 'We need to do something, we need to ensure we are professional here – that we adhere to a code of conduct, that if people are out there they all carry ID badges, and that we're open and honest about what we are doing, how we're doing it and how we should communicate with people'."

"Those kinds of things are really important. And the charities, the FIA and the agencies are all really committed to making it work."

What in the World?

Funds for Potter Prequel

An 800-word prequel to the Harry Potter series of novels has been auctioned for £25,000 (more than \$A50,000) as part of a fundraiser for the UK's Dyslexia Action and literacy charity English Pen.

The prequel, authored by Potter author JK Rowling, was handwritten on a signed story card. She was one of many authors that contributed pieces to the fundraiser which eventually raised £47,150 (around \$A96,000).

Other authors to take part included High Fidelity author Nick Hornby, playwright Tom Stoppard, Trainspotting author Irvine Welsh, and The Handmaid's Tale author Margaret Atwood.

The entire set of stories will be compiled in a book to be published this month to raise more money for the two organisations.

A buffet with Buffet raises millions

The chance to share lunch with share guru and one of the world's richest men, Warren Buffett, has seen more than \$US2 million (\$A2.3 million) raised for a US anti-poverty foundation.

The lunch was auctioned on eBay during June, with the starting price of \$US730,000 (\$A758,000) climbing steeply until the winning bid of \$US2.2 million (\$A2.3million) from Mumbai-born fund manager Mohnish Pabrai. Mr Pabrai was allowed to take seven friends with him to the lunch, which was held at a New York steakhouse. The only subject banned from discussion – Mr Buffett's current stockmarket activities.

Money raised went to the Glide Foundation, an organisation which works to break poverty and dependency cycles across generations.

