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Cracking the fundraising code

By Christina Le Beau
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Fundraising has been called an art and a science, but, most of all, it's a crapshoot.

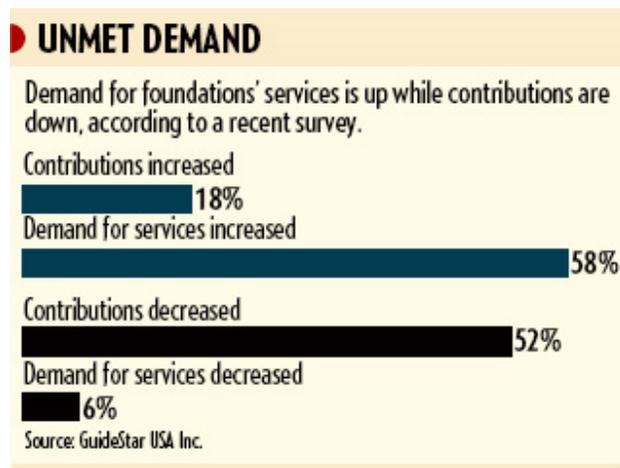
John List is trying to change that.

Mr. List, 40, an economist at the University of Chicago and a bit of a rock star in fundraising circles, first did fundraising field studies 10 years ago while teaching at the University of Central Florida in Orlando. But his work is reaching new relevance in the recession, as non-profit organizations scramble to learn what makes people open their wallets.

Some of his findings seem obvious — the more seed money you have for a capital project, the more likely you'll attract additional gifts — but most are surprises. Like the fact that phone-a-thons are more effective than mail solicitations (who knew people still answer the phone in the era of caller ID?) and that high matching donations don't result in bigger gifts than simple dollar-for-dollar matches.

Mr. List's research illuminates not only fundraising technique, but also human nature. That's illustrated best by a study last year in which researchers went door-to-door in the south suburbs, raising money for two charities and trying to learn whether people give because of altruism or social pressure.

In one test, instead of knocking, they left fliers stating they'd be back during a specific time frame the next day. Before the economic meltdown, most people weren't home or didn't answer the door that second day. By early fall, however, people were more likely to answer the door, yet less likely to give. He concluded that most giving — more than 75% — is indeed driven by social pressure. It's just that the economy provides a way out while still saving face. "Before the meltdown, if you answered the door, it was very difficult to say no," Mr. List says. "But now people have a built-in excuse."



Information like this — what Mr. List calls "feedback maximization" — should be gathered at every fundraising interaction, he says. "Especially in difficult times, it's very important to learn what works and doesn't work. I'm trying to change a sector that's run on anecdotes into a sector that's run based on scientific research."

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